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CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Miyazawa Discusses Various Issues in TV Interview *[Tokyo TV]* 1
Yeltsin Rules Out Return of Islands During Visit *[Tokyo TV]* 6
Miyazawa: Long-Term, Major Aid Ready for Russia *[KYODO]* 7
Watanabe Pledges Efforts To Solve Islands Issue *[KYODO]* 7
Tokyo Not To Offer More Economic Aid to Russia *[KYODO]* 7
Conclusion of Aid Accord Set for Yeltsin Visit *[KYODO]* 8
Tokyo To Host Ex-Soviet Aid Conference in Oct *[KYODO]* 8
Russia Seeks Cooperation on 12 Economic 'Schemes' *[KYODO]* 9
Agency, Russia To Cooperate in Reactor Research *[KYODO]* 9
PRC Warned Against Aircraft Carrier Purchase *[KYODO]* 9
Cabinet Finalizes Plan for PKO Troop Deployment *[KYODO]* 10

North Korea

N-S Political Subcommittee Meets at Panmunjom *[Pyongyang Radio]* 11
'No Progress' Made *[Pyongyang Radio]* 11
North-South Military Subcommittee Meets 5 Sep *[Pyongyang Radio]* 12
South's 'Bigoted Insistence' Cited *[KCNA]* 13
Partial Agreement Reached in Exchange Subcommittee *[KCNA]* 13
Japanese Report on Food Riots Protested *[KYODO]* 13
Kim Il-song Chairs Provincial Party Plenum *[Pyongyang Radio]* 14
Kim Il-song Meets Women's Forum Participants *[KCNA]* 17
Kim Il-song, Kim Chong-il Meet KPA Combatants *[KCNA]* 17

South Korea

South-North Military Subcommittee Meets 5 Sep *[YONHAP]* 17
South-North Cooperation Subcommittee Meets 7 Sep *[TONG-A ILBO 7 Sep]* 18
Annexed Agreement Reached *[YONHAP]* 18
Liaison Officials Discuss High-Level Talks *[YONHAP]* 18
N-S Liaison Contact Over Nampo Survey Fails *[YONHAP]* 19
Political Subcommittee Agrees on 2 More Clauses *[YONHAP]* 19
PRC Said Halted Nuclear Aid to DPRK in 1987 *[CHOSON ILBO 8 Sep]* 19
ROK To Invite PRC To Observe 1993 Exercise *[YONHAP]* 20
Disagreement With U.S. Military Reported *[TONG-A ILBO 5 Sep]* 20
Disagreement Denied *[THE KOREA HERALD 6 Sep]* 20
USSR-DPRK Treaty Said Not To Be Revised *[YONHAP]* 20
Russia Cuts Tariffs on ROK Imports by Half *[YONHAP]* 21
ROK To 'Push' Economic Ties With Russia *[YONHAP]* 21
ROK, Russia Agree to Joint Survey of Gas Field *[YONHAP]* 22
Government Urges Taiwan To Open Office in Seoul *[YONHAP]* 22
North Introduces New Legislation for Investments *[YONHAP]* 22
National Assembly To Convene Session 14 Sep *[YONHAP]* 23

I

SOUTHEAST ASIA

Burma

New Reports Surface of Khun Sa Resignation *[Bangkok THE NATION 8 Sep]* 24
Military Readies New Offensive Against Karens *[Bangkok BANGKOK POST 6 Sep]* 24
Karen Guerrillas Overrun Three Army Bases *[AFP]* 24
Confiscated Drugs Handed Over to Authorities *[Rangoon Radio]* 24

Brunei, Malaysia & Singapore

Malaysia

Mahathir Comments on UN Restructuring *[BERNAMA]* 25
Deputy Minister on Offer of Asylum to Bosnians *[Kuala Lumpur Radio]* 25
Japanese Trade Minister Arrives for Conference *[KYODO]* 25

Singapore

Prime Minister on ASEAN, Spratly Issues *[THE STRAITS TIMES 3 Sep]* 26
Prime Minister Meets Various Leaders in Jakarta *[THE STRAITS TIMES 5 Sep]* 26

Cambodia

Sihanouk: KR May Be Excluded From Elections *[AFP]* 27
Sihanouk on KR Compliance, Election Participation *[ANTARA]* 27
Sihanouk Cites Khmer Rouge Acceptance Conditions *[Radio VOK]* 28
KPNLF Statement on Vietnamization Rejected *[Phnom Penh Radio]* 28
Ranariddh Seeks Indonesian, French Help for Plan *[Bangkok THE NATION 4 Sep]* 29
Sihanouk To Visit Faction-Controlled Areas *[Radio VOK]* 29
Labor, Welfare Minister Dies 1 Sep *[Phnom Penh Radio]* 29

Indonesia

Editorial Explores Effects of NAFTA *[SUARA PENBARUAN 21 Aug]* 30

Laos

U.S. Envoy Meets With Vientiane Mayor *[KPL]* 30
Anniversary of Ties With SRV Celebrated *[KPL]* 31
Foreign Minister Greets Counterpart *[Vientiane Radio]* 31
SRV Foreign Minister Sends Greetings *[Vientiae Radio]* 31
Kaysone Phomvihan Meets SRV's Vo Chi Cong *[Vientiane Radio]* 32
Thongsing Thammavong Speaks on Assembly Elections *[Vientiane Radio]* 32

Philippines

House Speaker Calls For New Treaty With U.S. *[THE CHRONICLE 7 Sep]* 32
Says U.S. Should Respect National Interests *[MALAYA 6 Sep]* 33
U.S. Jet Sales to Taiwan Cause Little Concern *[AFP]* 33
Abadia Denies Meeting With Renegade Colonel *[Quezon City Radio]* 34
22 Senators Approve Legalizing Communist Party *[Quezon City Radio]* 34

Thailand

Foreign Ministry on Review of U.S. Amity Treaty *[THE NATION 4 Sep]* 34
Minister: NAFTA Makes AFTA 'More Urgent' *[Bangkok Radio]* 36
PRC Dissident Declared Persona Non Grata *[THE NATION 5 Sep]* 36

II

Vietnam

Ross Perot's POW-MIA Statements Condemned *[Hanoi Radio]* 36
Ministry Demands PRC Ships Withdraw From Tonkin *[Hanoi Radio]* 37
Use of Force Hinted *[AFP]* 38
Ministry Says PRC Causing 'Profound Concern' *[AFP]* 38
Desire for 'Peaceful Negotiations' Reaffirmed *[Hanoi International]* 39
Spokesman Denies Inviting Israeli Delegation *[VNA]* 39
Hijacker Hoped To Drop Pamphlets Over City *[AFP]* 39
Hijacker Identified; Nationality Not Known *[Hanoi Radio]* 40
Officers Urge Greater Party Control of Army *[AFP]* 40
Premier's Top Aide Reassures Foreign Investors *[AFP]* 40

AUSTRALASIA

Australia

Keating Warns Bush on U.S. Wheat Subsidies *[AFP]* 42
Keating Cites 'Toughest' Response *[AFP]* 42
U.S. 'Corrupt Trade Policies' Condemned *[Melbourne International]* 43
Foreign Minister Condemns South Africa Killings *[Melbourne International]* 43

Japan

Miyazawa Discusses Various Issues in TV Interview

OW0409134192 Tokyo NHK General Television Network in Japanese 1300 GMT 3 Sept 92

[Interview with Prime Minister Kiichi Miyazawa by NHK announcer Miyuki Morita, NHK commentator Naoki Tanaka, and freelance commentator Takashi Yamamoto; aired as an NHK "Special Program" entitled "Interview With the Prime Minister—The Goal for Which a Life-style Superpower Aims;" at the prime minister's official residence on 3 September—recorded]

[Text] [Morita] Mr. Prime Minister, thank you very much for spending your precious time with us. Today, together with commentator Naoki Tanaka and NHK commentator Takashi Yomamoto, I will be asking you questions.

[Miyazawa] Yes, please do.

[Morita] Well, although September is here, the heat of late summer is still unbearable and people are saying that another summer vacation is needed.

[Miyazawa] Yes Ms. Morita, it would have been better if we had had this heat earlier. Air conditioners and summer wear would have sold better if it had been hot like this in early July. But the heat of the summer arrived too late. People will put up with the heat rather than buy summer goods because it is already September. If we had to have this heat, I wish it had arrived much earlier.

[Morita] Yes, indeed [laughter].

[Miyazawa] I wish people would buy more goods because the economy is not very good.

[Morita] I heard that you spent your summer vacation exercising and reading books. What kind of books did you read?

[Miyazawa] Well, reading old Chinese books such as those dealing with Lao-tzu and Zhuang Zi is enjoyable at any time. Sometimes, when people read books they read when they were younger, they have a different understanding and feelings. It is interesting. Moreover, since I am serving as prime minister, I like to read books about politicians of the Meiji era. For example, I read books written by Mr. Ryotaro Shiba. And Mr. Tanaka, I found your book entitled "Concept of Japanese Economy" very valuable and read that book enthusiastically too.

[Tanaka] I am surprised to hear that you read books about Lao-tzu and Zhuang Zi. Lao-tzu and Zhuang Zi teach that truth should be found by entrusting oneself to nature and what it provides. However, you are of the opinion that an active or positive push is needed when it comes to the economy. I was surprised in that sense.

[Miyazawa] Well, you are probably right. Strictly speaking, however, economic matters should also be left to market trends as much as possible; it is difficult to do that these days. I am a believer in the market economy, so in that sense there are some points in common.

[Yamamoto] Please excuse me for asking you a serious question, but the Tokyo Sagawa Kyubin case is creating a stir. Vice President Kanemaru of the Liberal Democratic Party [LDP] has resigned from his post and the governor of Niigata Prefecture has been forced to step down. It seems the situation is very serious. What do you think of what has happened?

[Miyazawa] Law enforcement authorities are trying to shed light on the matter. There are many reports. I think that it is important, for the time being, to leave it to the law enforcement authorities to reveal the facts. I have not been informed of any specific information, and I do not intend to say anything. I am of the opinion that the important thing is to reveal the facts to the people.

[Yamamoto] You tried to persuade Mr. Kanemaru to retain his position after he resigned?

[Miyazawa] I was really surprised by that. Well, he played an important role in many ways. Therefore, I could not just accept his resignation without knowing the reasons behind it.

[Morita] You have been saying since you became prime minister that Japan has to aim at becoming a life-style superpower. What is the difference between your idea of a life-style superpower and an economic superpower, which Japan has become already by giving priority to the economy?

[Miyazawa] Well, an announcement about the age structure of Japanese society is made each year on Respect-for-the-Aged Day. An announcement for this year will soon be made. As you know, about 12 percent of Japan's population is over 65 years old. It is too early to say that Japan is a nation of the elderly. But it is said that this ratio will grow rapidly and that people older than 65 will comprise 25 percent of the population by 2020. This is exactly double the ratio at the moment; this is a surprising increase. A quarter of the entire population will be over 65 years old. This also means that a variety of burdens will fall on the younger people. When such a time comes, the economic power Japan enjoys now may be weakened temporarily because the social burden will become big. Therefore, we need to build up [economically] a strong country while we have the capability to do so.

Take the housing problem for example. In the urban areas, we are said to be living in rabbit hutches. Right now, it is extremely difficult for a salaried worker to buy a home. At present, it is said that a house costs seven or eight times the average yearly income. We are considering whether we can help people acquire their own houses at a price around five times their annual income. Recently, we formulated the five-year economic plan. This time, we think we should not stop at empty words. We have set administrative targets.

From now on, the number of old people will continue to increase. I think most old people would like to stay with their families. Therefore, if day service is not available within walking distance, people will be worried. We would like to have at least one day service center in each middle school district by the year 2000. With regard to the sewage system, at present sewage systems are available to only 45 percent of the population at large. Since this is calculated by the population using the sewage system, this percentage is naturally concentrated in the cities. There are still certain prefectures where less than 10 percent enjoy the benefits of a sewage system. We would like to increase this percentage to about 70 percent. But this will not be an easy job.

All of us—I do not know about you, Ms. Morita—in the Tokyo and Osaka areas have to deal with terrible crowds when commuting to work in the morning. Right now, it is said that the load factor for public transportation is 200 percent. We are thinking about whether we can do something about this. It is said that even five years from now, we may only be able to reduce this figure to 180 percent. [laughter] That is to say, if right now, we have only enough elbow room to read a pocket book in the train, when the load factor goes down to 180 percent, we will have just about enough space to read a newspaper. Well, this is indeed a difficult problem, this business of improving the living environment. Since it is a difficult and time-consuming problem, we want to deal with it right now.

The term "lifestyle major power" may be a bit exaggerated, but the ideal lifestyle would be a life that is simple, yet with all necessities present. Everyone should be able to plan their own lives, and should have, as much as possible, their own independent opinions—although too much foolishness would also be a problem. We would like to build such a society, and I believe today's Japan has the capability of doing this. Happiness is a subjective thing, and I think it is wrong for political authorities to interfere concerning questions close to the people's hearts—because every man has his own independent castle. However, I believe that the creation of an environment which will make the happiness of each individual possible is the political authorities' job. Today's Japan is in a position to do so; it has grown to be a country able to do that. What I want the government to do is to do this before Japan becomes a nation of the aged.

[Tanaka] In order to continue the government's task of improving the living environment on a mid- and long-term basis, economic activities need to develop steadily. Otherwise there will be insufficient tax revenues and it will be impossible to undertake public projects. What do you think of the present economic conditions? At present, foreign countries are not just saying that if there is a business downturn in Japan, they will not be able to sell to Japan. They are saying that since Japan carries significant weight in the world economy, if Japan fails to manage its economy properly, there will be trouble. The Japanese economy, which has so far dashed along at considerable speed, seems to have tripped. No one seems to be very happy about this.

[Miyazawa] As you wrote in your book, Mr. Tanaka, and as I said during the past Upper House election, if the Japanese economy is in trouble... first we need to create the resources for the nation-building plans that I have just mentioned. The only way to do this is to work to create such resources.

Furthermore, the Japanese economy has a role to play in the international community. If things go wrong with our economy, it will have negative effects on other economies, and Japan will also not be able to make the contributions it ought to make. You are right when you said this is not only a problem for Japan, and I said the same thing during the election campaign.

With regard to the economy, we have just formulated comprehensive economic measures. These are very drastic measures; the scale amounts to 2.3 percent of GNP. Am I right? The multiplier effect is expected to continue for a year—of course, you cannot really tell without actually doing it. In any case, the scale is considerable; it amounts to approximately $80 billion. The scale is indeed enormous. I believe this will bring the economy back to normal.

The present economic condition is characterized by the fact that the recession is caused not only by factors in the economic cycle, such as inventory adjustment, the fall in the people's purchasing power, or negative growth in capital investment. The financial system has also failed to function properly. This is true for banks and for the securities market.

When I took my summer vacation, to be honest, I had already been worried for a time. I thought that—as I said a while ago in relation to Lao-tzu and Zhuang Zi—the market was best left functioning according to the natural laws of the marketplace. However, on rare occasions the market experiences violent fluctuations and fails to operate normally. Something like that happened in Britain in 1973-74. Just as it has happened in Japan, stock prices dropped dramatically, real estate prices dropped, and the Bank of England took money out of its own pocket to launch the so-called "Operation Lifeboat." I remember this very well. There have been similar problems with regional savings banks in the United States. They bought stocks, or real estate, or junk bonds and went down the drain when a sharp drop in prices came. In order to rescue the depositors, the U.S. financial authorities spent around $100 billion, and it is said that some $50 billion more will be necessary. This amounts to about 20 trillion yen, and represents a serious burden on U.S. finances.

I think, even in market economies, on rare ocassions the government or the central bank has to take very exceptional measures on certain problems. In that sense, it is fortunate that the Japanese economy has not gone that far, and has been returning to normalcy, but nevertheless, such a danger was present for the Japanese

economy. One reason we decided to implement the drastic measures announced recently is to prevent something like that from occuring.

[Yamamoto] I agree that the recent economic measures were decisive ones, but then, economic prospects remain pessismistic. Corporate profits, as well as sales volume for department stores, have gone down. This has begun to affect employment. With these economic measures, when do you think signs of an economic recovery will begin to appear?

[Miyazawa] Well, the effective opening-to-application ratio is still above 1, and I definitely think that something like the yen appreciation recession of 1977-78, when the so-called auxiliary companies to the corporate giants went bankrupt one after the other, will not happen—I think we are safe in this respect. If you look at the statistics, the employment situation is worsening in the areas around Tokyo—Tokyo, Chiba, Saitama, and Kanagawa—and around Osaka—Osaka, Hyogo, Kyoto, and Nara. The problem starts with the big metropolis. Nagoya remains strong; the Chukyo area is really strong—it has not been affected. However, if the situation in the automobile industry gets any worse, there may be a problem. Right now, the recession is at a stage of moving gradually from the center to the localities.

Therefore, with the recent measures, if inventory adjustment gradually reaches a certain stage on the one hand, and the front-loading of public works projects and loans by government institutions to medium-sized and small businesses progress on the other; and banking institutions are able to liquidate their bad loans—we are trying to do something about this—then these institutions will again have the capability to provide credits, since interest rates are quite low. Basically, there is a labor shortage. Therefore, investments in rationalization efforts are necessary. The medium- sized and small businesses know this very well. Those who have been watching to see how things would turn out when the economic prospects were really pessimistic will then decide that now the time is right. I think things will start to move from capital investments in the medium-sized or small businesses, particularly those in the non-manufacturing industries. This has to happen. The initiative has to move to the hands of the private sector's economic power. It has to be like a two-stage rocket. The government cannot do this forever.

However, as I said in the beginning, the Japanese economy has large demands, and we have a lot to do. To cope with the labor shortage, the private sector should make further capital investments. For the long-term, I am not worried. I think we will be all right.

[Tanaka] The recent comprehensive economic measures are drastic steps indeed in terms of quantity. The distinctive feature of the recent economic cycle is the fact that a negative growth in corporate profits, compared to that of the previous year, started to show in the third year while the economy was on the growth trend and shipments and production were increasing. I think there are several reasons for that.

For example, as a result of 5 percent economic growth, which continued for five years, traffic jams became worse, which made transportation efficiency drop. The only thing truck drivers are able to do is just sit in their seats; they cannot do any work. Moreover, airport facilities are unable to respond to demands for more flights. For example, Haneda Airport is unable to accept an increase in the number of flights. An insufficient social or public infrastructure is apparent.

In that sense, we can say that there is a sort of deadlock, which discourages us from achieving 5 percent economic growth, in the Japanese economy. I am of the opinion that public investment is to blame for that. The economy is expected to grow in the future. We need to do something about it in order to improve the infrastructure, which is clogging up the flow.

Many Japanese people are apprehensive on the subject of whether or not the government is making public investments where they are needed the most; not to mention the scale of public investment. It is obvious that the government's current way of making decisions on public works is based on an unshaken uniformity [ichiritsu shugi]. It seems that the various organizations interested in the matter are involved.

A prime minister needs to demonstrate his leadership, saying that money should be spent for what is really needed. Otherwise, the neglected part—not the side of demand but the supply side—will not be improved. Can you comment on the subject of leadership?

[Miyazawa] I think that problems concerning both money and land are involved in it. Regarding land, we have decided to buy as much land as possible for the public works. I believe that we will be able to do something about it this time.

Regarding the issue of money, acceptance of rough budget demands for fiscal 1993 ended late last month. In the budget request, the amount in the budget for livelihood-related public works was increased 60 billion yen over that of the previous year. Currently, public works worth 20 billion yen are still being executed. We are trying to give more importance to higher priority public works.

We are determined to do our best this year, too. All public works are necessary. As you have said, however, an order of priorities is important. Indeed, we had some cheering parties. This problem of interested organizations does exist. There are many problems we have to settle and it is difficult to introduce a completely new method out of the blue.

I tried as hard as I could when I was finance minister. I know I have to continue to do my best to give more importance to public works with higher priorities.

[Morita] Mr. Prime Minister, you have just said that now is the time when some major measures must be taken to counter the cyclical variation of economic activity. The land price issue is one of those where the so-called emergency measures as well as medium- and long-term measures must be taken. And among recent economy-boosting measures are the advance procurement of land for use for public purposes and the establisment of an organ to procure private land to eliminate bad debts carried by financial organizations as a result of the bubble economy.

However, there is a fear that these measures may lead to another rise in land prices which now are tending to fall. And then it may possibly become difficult for people to purchase housing with funds five times their annual income as stated in the program for promoting the concept of a lifestyle power.

[Miyazawa] Yes, that is right. I have read letters with such views sent to newspapers.

[Morita, interrupting] Is that right?

[Miyazawa continues] In reality, I think, the situation now is that .... it is true that land prices, as you have mentioned, have begun to fall. But then, some people may want to sell their land but nobody wants to buy it because they know that land prices will drop further if they could wait longer. Thus, land transactions have come to a stop. This will also cause trouble. In particular, if there is no market for land offered as loan security, people will not be able to repay their loans. Some measures must be taken to deal with this issue. This is one of the points that have been taken into consideration in working out the recent program.

People may say that if the issue is left unsettled, land prices will drop further and that it is good to leave it as it is. However, if the situation, in which no land transactions are made, should continue to exist, those who are in need of land cannot afford to buy it while those who want to sell land offered as loan security will not be able to sell it. And if the business depression continues to get worse, there will be greater troubles. After all, we cannot afford to mobilize an enormous sum of funds to support land prices lest they fall further. I think that land prices will continue to drop further, and this will be a favorable tendency. Anyway, I think it will be necessary to activate the land market.

[Yamamoto] I would like to shift the question to diplomacy now. In Asia, a major event took place not long ago: China and the ROK signed an agreement on establishing diplomatic relations. It may be taken as an important turning point in the history of Asia that two nations which had been confronting each other have reached a reconciliation. And Russian President Yeltsin is scheduled to visit both China and the ROK. Thus, we can say that drastic changes have been noted in Asia. What do you think of these overall moves in Asia?

[Miyazawa] First, let me tell you about one of my basic views on Asia. A free trade region is now being set up among the United States, Canada, and Mexico; and the European Community (EC) has already taken concrete measures to set up such a zone. Under such circumstances, I think that Asian nations, including many ASEAN nations, will come to hold economic capability that will be greater than any of the above-mentioned regions within the first 10 or 15 years of the twenty-first century. However, care must be taken not to turn Asia into a secluded region. I am by no means stating my views based on the idea of setting up an enclosure. As a whole, Asian nations have enormous potential, if only no major wars should take place. I do not think there will be any such wars. And I feel that after all, we must always keep in mind that our country is now situated under such circumstances. This is one of the issues.

And then, under such circumstances, you have brought up issues which concern China. From the standpoint of its population and its future potential, China is bound to become a great nation. And since this nation's situation has great influence on the peace and prosperity of the entire world, I think it will be of great significance to cherish always our relations with China.

Perhaps, next to our country, the ROK is the nation that possesses what may be termed vitality, and I think it will continue to have such vitality. On the Korean peninsula, the North-South issue still remains unsettled. The issue concerns one of the few so-called divided nations, or, in other words, one of the last uncertain factors remaining in the world now which constitutes a factor for instability. Regarding this, I think the recent decision on normalizing relations betwen China and the ROK is an event favorable to our region. And I think that, under such circumstances, the DPRK will eventually realize it cannot go against the great trend.

Then Burma will be the only country left because it now looks almost certain that peace will be realized in Cambodia. But that country also cannot keep on saying forever that it is different. If we forget about India for now, I think we can say Asia will become one of the very biggest centers of the world in the 21st century. Under such circumstances, it is our future task to find out what roles Japan can play for the countries of this region. Regarding this, I am doing studies, and have had study sessions from knowledgeable people on a monthly basis. Last time, Mr. Lee Kuan Yew came from Singapore and gave his views. Mr. Kissinger will come next in the near future. We need to study Japan's roles in Asia, listening to the opinions of other people. I know it is not a matter that can be determined in a year or two. But I think that we need to give serious thought to major directions.

[Morita] Regarding China, a decision has been made on the emperor's first visit to China. What do you expect from this visit?

[Miyazawa] I hope that the emperor will visit China under those circumstances in which the Japanese people

truly want him to visit. The Chinese people are saying that they will welcome the emperor. I would like him to make the visit, and I would like to see him receive a warm welcome from the Chinese people. Since there is nothing political in what we want him to do, as long as he receives a warm welcome from the people, the purpose of the visit will have been achieved.

[Tanaka] If we view Japan's diplomacy with Asia, there is the question of how Japan's diplomacy with Asia appears in the context of Japan-U.S. relations. For instance, as far as the U.S. Congress is concerned, its view on China is that human rights continue to be suppressed in that country. Since the Tiananmen incident, the attitude of the U.S. Congress towards China has been very strict. This being the case, if Japan pursues close relations with China, there may arise the viewpoint in the United States that Japan is a country which is not concerned about the protection of human rights. If such a situation occurs, it will put Japan in difficulty.

I think that it would be undesirable for Japan to say one thing to one party and a different thing to the other party—as a way of getting along well with both the United States and Asia. I think that now is the time that Japan needs to take a stand, saying the same thing to Beijing and the United States. But I think there are growing complaints, particularly in the United States, that the stand of the Japanese parliament or the Japanese Government is not clear as regards the question of protecting human rights in Asia. What is your view on that question?

[Miyazawa] That is indeed a difficult question which I myself have given much thought to. Among Americans, people like President Bush are more realistic than some Democrats in their thinking about the present conditions in China. Of course, Mr. Bush lived there once. Even these people, however, feel unhappy that China is not responding as they hoped it would.

My position is the same regardless of whether I am here, in the United States, or in China. I get to see many people from the two countries since they pass through Tokyo.

I tell the Americans I meet: We too have many things to say about the question of human rights, but as far as China sees the matter, the most fundamental human right is the right for humans to live, the right not to die of hunger, the right to have houses to live in and to have clothes to wear. For the first time in thousands of years of history, China has become a society in which this right has been assured. What can be a better protection of human rights than this? Of course, I am not saying that this is good enough. But I think you people have to take that into account first of all. The way in which human rights are viewed cannot be the same everywhere. It can vary according to nations and according to those phases of economic development they are undergoing.

I tell these things to the American people. I really think it is more than half true. I am not a historian, but I know more about China than they do. So I tell the Americans that we must admit that China is now a better place to live for the first time.

On the other hand, China for its part should recognize that the United States is not saying these things to hurt it. That country should understand and appreciate the efforts the U.S. Government has made as can be seen in extending most-favored-nation status and so forth. A bad turn in U.S.-Chinese relations would be adverse for the entire world. The country is not making progress at the speed hoped for by the United States.

In the meantime, Japan resumed economic assistance which had been suspended following the Tiananmen incident. That action came in the belief that stability in China will benefit the world. Other nations have followed Japan's actions since then.

Anyway, the question you asked about will remain a difficult one for us. I hope that no more misunderstandings will arise between the two countries and that no deterioration of relations will result between them as a result. I am earnest in this hope.

[Morita] Speaking about neighboring nations, President Yeltsin of Russia will visit Japan soon. This will be a visit with the difficult issue of the northern territories pending. Will this visit by President Yeltsin to Japan mark the advent of a new era in Japan-Russia relations?

[Miyazawa] I think so. The year 1855 was two years after Admiral Perry visited Japan. In that year, the Japanese shogunate and Imperial Russia concluded a treaty, and it stated that these four islands were Japanese territories. At that time, the shogunate was a weak government. In no way did it have the power to put a pressure on Imperial Russia. So in 1855, that treaty was concluded. The fact that the treaty remains valid until now has never been refuted by Russia.

But since then there has been a war, occupation, and so forth, and most Russians have been taught for so long—for a period of 40-some years—that the islands belonged to them. Mr. Yeltsin did explain to the people of Russia that this is not true and that this is an error committed by Stalin. But if the subject comes to whether Russia is willing to return the islands, he cannot jump on it. That is the situation.

To Miss Morita's question as to whether a new era is coming, my answer is still that I think it is. It is quite unnatural that no peace treaty has been concluded between the two nations. Despite the lack of such treaty, we are in fact making contacts and exchanging visits with each other. This is quite unnatural.

Only after a peace treaty has been concluded can we expect the people to have the feeling that they need to help Russia economically. Russia probably knows this. At present, the country with the largest economic capabilities in the world is Japan. So, Russia knows the need to conclude a peace treaty.

Even though there is the mutual recognition for it on both sides, shall I say that there exists a sheet of paper standing between the two? They cannot reach out their hands to each other. The problem is how this situation can be overcome in the future. As long as there exists a basic understanding of the needs of both sides, we should be able to say that, given some time, the problem can be solved. It will be strange if it is not solved. In that context, I believe a new era will arrive.

[Tanaka] At the beginning of this interview, I asked you some questions about the Sagawa Kyubin scandal. Politicians call for political reform every time some of them get involved in money scandals; however, they have never taken any actions to prevent recurrences of such scandals. It seems that money scandals repeat themselves again and again. In your opinion, what is the biggest reason concerning the fact that political reform is never realized?

[Miyazawa] Actually, we were very close to reaching an achievement during the last Diet session. Last March I requested our party to work out a stopgap reform plan to cope with urgent questions before a full-scale political reform scheduled for coming November. While the issue involves conflicting interests of political parties, inter-party talks were held 10 times during the last Diet session. After reaching an accord on general points, the parties agreed to map out a definite plan, including a Diet seat reapportionment plan, in the last couple of weeks of the Diet session. However, we could not realize the plan during the period that has followed since inter-party talks were deadlocked over the Social Democratic Party member's mass resignation requests, made in connection with the UN peacekeeping operations cooperation bill.

Nevertheless, the parties still have the general agreement on cooperation in political reform. I would like to finalize the stopgap reform plan at the start of the next Diet session. Since we have already reached certain achievements on the stopgap plan, I would like to work it out. And, on the foundation, we can promote discussions on the full-scale reform plan. Our stopgap reform plan will touch on political funds, political ethics, and hopefully, the reapportionment of Diet seats.

[Tanaka] Do you think that a full-scale reform plan must give an answer to public demands for a reform of the election system?

[Miyazawa] I think so. We will have to again seek intra-party accord on the issue, and then bring the party plan up for discussion at inter-party negotiations. Each party has a different opinion on the issue, and the negotiations will certainly face rough going. Yet, no matter what the conclusion is, reform of the election system will become inevitable when the Diet talks about public support for politicans.

[Tanaka] The election system reform is being discussed mainly because the public wants to send freshmen to political circles. Enrichment of the entire society is much more important than fund build-up measures for political circles, and we are presently looking for a fresh decision-making process for our society. In this sense, we need unique and capable people from various circles as our representatives. To achieve this goal, I think that Diet reform is extremely important. For expample, many capable people would choose the Diet as the place to display their abilities if the Diet becomes more lively.

[Miyazawa] I agree with that. The Diet reform issue was relatively easy topic at the inter-party negotiations, and we have already achieved a general accord on the issue while there are still some points to be finalized. We cannot have good representatives when normal individuals feel disgusted with being a politician or running for elections to become Diet members. I think that this is why Diet members are discussing the possibility of the public sector's financial support for their political activities.

[Morita] Mr. Prime Minister, thank you very much for joining us for such a long time.

Yeltsin Rules Out Return of Islands During Visit

OW0509124192 Tokyo NHK General Television Network in Japanese 1000 GMT 5 Sep 92

[From "NHK News" program]

[Text] On the eve of his visit to Japan on 13 September, President Yeltsin appeared on an NHK program. The Russian president talked for the first time with some Japanese who used to live in the northern territories. Speaking on the program, President Yestsin said that he has prepared 14 proposals for resolving the northern territories issue and added that he intends to discuss these 14 proposals with Prime Minister Miyazawa during his visit to Japan. The program was a satellite hookup between the presidential office in the Kremlin, Tokyo, Nemuro [the northernmost city of of Hokkaido], and Niigata. This is the first time that President Yeltsin has talked directly with the Japanese on a Japanese television program like this. Japanese citizens in Nemuro, who used to live in the northern territories, participated in the program.

Referring to his visit to Japan, which will begin on 13 September, President Yeltsin said: I will be the first Russian president to visit Japan, and this is of great significance. I intend not only to improve Russia-Japan relations, which have long remained chilly, but also discuss with my Japanese counterpart how relations should be improved quantitatively and qualitatively. In this way, the Russian president expressed his high expectations concerning his upcoming visit to Japan.

[Video shows Yeltsin on screen, speaking in Russian with simultaneous Japanese translation in subtitles; the following is from the Japanese]

Territorial Issue [subtitle displayed onscreen]

[Begin Yeltsin recording] I will discuss this issue with Prime Minister Miyazawa and Foreign Minister Watanabe during my stay in Japan. I have prepared 14 proposals for the resolution of the issue. It is difficult for me to choose among them. I hope that the Japanese will not expect the northern territories to be returned during my visit to Japan. [end Yeltsin recording]

With regard to the duration and restrictions on cemetery visits by Japanese to the northern territories, President Yeltsin said that the cemetery visits by Japanese to the northern territories is not a political issue, but a humanitarian issue, and he promised to remove all obstacles to the cemetery visits. In this way, the Russian president indicated that he would completely liberalize cemetery visits to the northern territories.

With respect to the safety of nuclear power plants in Russia, which other nations are increasingly concerned about, the president said that the operation of all first-generation atomic reactors would be suspended within two years and second-and-third-generation atomic reactors would be developed, adding that Russia plans to build new nuclear power plants whose safety is compatible with those safety standards set by the International Atomic Energy Agency.

The program was organized today by NHK based on requests from people who wanted to listen to President Yeltsin's voice.

Miyazawa: Long-Term, Major Aid Ready for Russia

OW0809060692 Tokyo KYODO in English 0540 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Prime Minister Kiichi Miyazawa has indicated Japan is prepared to offer long-term, major economic assistance to Russia after the two countries have established politically stable relations.

Once Japan and Russia stabilize political ties "we will extend large-scale cooperation on a long-term basis," Miyazawa said in an interview with the Russian newspaper KOMSOMOLSKAYA PRAVDA, published Tuesday [8 September].

Miyazawa denied he sought to take advantage of "Russia's present weak spot" to win a territorial concession on the disputed islands off Hokkaido.

Japan is demanding Moscow recognize Tokyo's sovereignty over the four islands, which were seized by the Soviet Red Army at the close of World War II, prior to entering a peace treaty.

The Miyazawa interview was conducted last month prior to Foreign Minister Michio Watanabe's visit to Moscow, during which little progress was made toward resolving the dispute.

Miyazawa pointed to Tokyo's experience with Beijing, one of the largest recipients of economic aid from Japan.

"After Japan and China established a friendship treaty in 1978, Japan extended government loans, and trade increased from 3.5 billion dollars per year in 1977 to over 20 billion dollars now," Miyazawa said.

Miyazawa said it will also be easier for Moscow to enter close cooperation with other countries in the Asia-Pacific once its relations with Japan are improved.

On the U.S.-Japan Security Treaty, Miyazawa said he does not believe Japan will have to choose between Moscow and Washington in the future.

Watanabe Pledges Efforts To Solve Islands Issue

OW0609052292 Tokyo KYODO in English 0418 GMT 6 Sep 92

[Text] Tokyo, Sept. 6 KYODO—Foreign Minister Michio Watanabe pledged his utmost efforts Sunday to secure Russia's recognition of Japanese sovereignty over four Russian-held islands off Hokkaido when Russian President Boris Yeltsin visits Tokyo next week.

Yeltsin has not made a final decision on the decades-long territorial dispute between Tokyo and Moscow, said Watanabe, who met Yeltsin in Moscow last week to prepare for the September 13-16 visit.

Watanabe said on a commercial television program that then-Soviet President Mikhail Gorbachev only acknowledged that the dispute exists when he visited Japan last year.

Gorbachev did not approve a 1956 Soviet-Japan joint declaration stipulating that Moscow would return Shikotan and the Habomai group of islets to Japan after conclusion of a bilateral peace treaty, Watanabe said.

Accepting the 1956 declaration would just be a matter of course, returning things to the conditions of 36 years ago, Watanabe said, calling on Yeltsin do more than that during his visit.

The Japanese foreign minister said that even if the Russians cannot clearly refer to the ownership of the other two islands, Kunashiri and Etorofu, they should show some progress on the matter.

Tokyo Not To Offer More Economic Aid to Russia

OW0509091792 Tokyo KYODO in English 0906 GMT 5 Sep 92

[Text] Tokyo, Sept. 5 KYODO—Japan will not offer additional economic aid to Russia during a four-day visit by Russian President Boris Yeltsin on September 13-16, government officials said Saturday.

Japan has already pledged a total of 2.65 billion dollars in low- interest credits and export insurance to Russia.

Russian officials said Yeltsin will seek a new credit worth 1.5 to 2 billion dollars from Japan during his talks with Japanese Prime Minister Kiichi Miyazawa and other officials.

The officials said Japan would refrain from making an additional pledge because little progress was made in negotiations in Moscow between Yeltsin and Japanese Foreign Minister Michio Watanabe this week over a longstanding territorial dispute.

Russia has yet to consume a total of 600 million dollars offered by Japan to purchase food and medical supplies and other necessary goods, they said.

The officials said Japan and Russia are expected to conclude an accord on a 100 million dollar low-interest loan through the Export- Import Bank of Japan to finance imports of food and medical supplies during Yeltsin's visit.

Japan has agreed to underwrite export insurance for export of oil and gas drilling equipment worth about 700 million dollars but no formal contracts have been concluded pending negotiations on terms of repayment, the officials said.

They said the government hopes formal contracts will be signed during Yeltsin's visit.

In addition, the officials said the Ministry of International Trade and Industry is studying whether to insure Japanese exports of equipment for forest development in Russia.

The ministry will pledge to Yeltsin it will set aside about 25 million dollars for the establishment of a center for training atomic power plant engineers near Moscow next year to ensure the safety of atomic power plants, the officials said.

Conclusion of Aid Accord Set for Yeltsin Visit

OW0809094592 Tokyo KYODO in English 0925 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Japan has "gone out of its way" to facilitate conclusion of an agreement with Russia when President Boris Yeltsin visits here next week on implementing an aging pledge of 100 million dollars in humanitarian aid, a Foreign Ministry spokesman said Tuesday.

Spokesman Masamichi Hanabusa told foreign correspondents here that an agreement on the tied loans, pledged in December 1990 to the then Soviet Union, is expected to be concluded during Yeltsin's four-day visit to Japan, which starts Sunday.

"We are going out of our way to conclude this loan and certain requirements are being waived," Hanabusa said. He noted that under normal circumstances, implementation of the loan would require a guarantee of repayment by the government, central bank, or another reliable bank.

"We are showing very good will to alleviate their difficulties," he said.

Meanwhile, earlier in the day, Foreign Minister Michio Watanabe told reporters that Japan would take "supralegal" measures to ensure that Yeltsin is able to take an agreement on the loan home with him when he leaves Tokyo.

Hanabusa said to the reporters that, so far, Japan has disbursed 80 million dollars out of the 2.65 billion dollars in emergency bilateral aid pledged to Russia.

Tokyo To Host Ex-Soviet Aid Conference in Oct

OW0809010892 Tokyo KYODO in English 0059 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Japan will host a ministerial conference in Tokyo on October 28 and 29 on aid to 12 republics of the former Soviet Union, the Foreign Ministry announced Tuesday.

The ministry said the conference, the third of its kind, will discuss how to coordinate technical and short-term humanitarian assistance to the so-called newly independent states (NIS)—namely 12 of the 15 former Soviet republics, excluding the three Baltic states.

Organizers expect the Tokyo conference will be attended by representatives of some 70 countries and about 15 international organizations, exceeding the turnout at the last two conferences held in Washington in January and in Lisbon in May.

They said Japan is especially keen to see more Asian countries participate, as the conference is the first of its kind to be held in Asia. Asian countries not represented at Washington and Lisbon include China, India, Pakistan, and Iran.

Organizers said the meeting will undertake to assess the economic situation in the NIS, evaluate the scope and magnitude of the required humanitarian assistance for this coming winter, and consider ways of "consolidating and realigning" coordinated international aid efforts.

Ministry sources said there may be discussion of whether to set up some kind of evaluation and coordination mechanism to that end.

Five working groups—on food, medicine, energy, shelter, and technical assistance—were established at the Washington conference. Japan is cochairing the medical and technical assistance working groups.

Organizers said that some countries might make new pledges of assistance, though that is not the purpose of the conference.

"We are not hosting this conference to provide a stage for countries to make new pledges, but to coordinate the assistance from various countries so that it can be more effective," said one official, speaking on condition of anonymity.

He said Japan's stance in the multilateral arena toward assisting the former Soviet Union "will not be affected that much by (Russian President Boris) Yeltsin's visit to Japan."

Yeltsin is due to visit Japan September 13-16 to tackle the protracted dispute over a group of northern islands seized by Soviet troops at the end of World War II.

Japan has tied large-scale bilateral assistance to Russia to a territorial settlement.

The official pointed out that the Tokyo conference is being organized to consider technical and humanitarian aid, not the type of massive financial assistance Japan has indicated would go Russia's way if it agrees to recognize Japanese sovereignty over the contested islands.

Russia Seeks Cooperation on 12 Economic 'Schemes'

OW0509081492 Tokyo KYODO in English 0748 GMT 5 Sep 92

[Text] Tokyo, Sept. 5 KYODO—Russia is calling for 12 economic cooperation schemes with Japan ahead of President Boris Yeltsin's September 13-16 visit, government sources said Saturday.

Among the 12 are Russo-Japanese economic cooperation in the areas of optical communications, civilian use of plutonium currently used for military hardware and laser technology, the sources said.

The sources said Russian Deputy Prime Minister Mikhail Poltoranin presented the list of the 12 schemes during a visit to Tokyo in early August.

Russian officials are proposing a continental optic communications network linking Japan, Russia and Europe by laying a 16,000-kilometer line across the Russian continent.

Also on the Russian shopping list are joint experiments on a Russian space ship, disposal of highly toxic industrial waste and exploration of underground resources, the sources said.

Agency, Russia To Cooperate in Reactor Research

OW0809050592 Tokyo KYODO in English 0432 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—Japan will join forces with Russia to improve the reliability and operational control of fast breeder reactors, the Science and Technology Agency said Tuesday.

Fast breeders are nuclear reactors capable of producing more plutonium than they consume as fuel during the energy-producing process.

The projected 100 million yen research costs are included in the agency's budgetary request for fiscal 1993. The agency said it will propose creating the joint project at the Russian International Science and Technology Center, an institute that provides jobs for the former Soviet Union's nuclear specialists.

Agency officials said the results of the research project will be used in the operation of Japan's fast breeder research reactor, named "Monju," in a nuclear power plant in Tsuruga, Fukui Prefecture. The reactor is to reach its critical state for starting energy production next March.

As fast breeder reactors use nuclear fuel more effectively than other types of reactors, Japan will concentrate its future nuclear policy on them, agency officials said.

PRC Warned Against Aircraft Carrier Purchase

OW0709121292 Tokyo KYODO in English 1133 GMT 7 Sep 92

[Text] Tokyo, Sept. 7 KYODO—Vice Foreign Minister Koji Kakizawa warned China Monday against purchasing a Ukrainian-built aircraft carrier, saying such an acquisition would destabilize the Asia-Pacific region.

If China purchases an aircraft carrier and procures Russian fighter aircraft, Southeast Asian countries, as well as Taiwan, will begin to feel that China poses a military threat, Kakizawa told a symposium commemorating the 20th anniversary of normalized Sino-Japanese relations.

At a time when the world is moving toward disarmament, Asian nations must not embark on an arms race, Kakizawa said.

"I would like to solicit very prudent action from China," he told the opening of a two-day symposium.

China, which earlier this year said it was prepared to militarily defend its claim to the disputed Spratly Islands, is believed to have discussed purchase of a Ukrainian-built aircraft carrier.

A Foreign Ministry source said it appears the sale is off because Russia is unwilling to supply necessary supplementary equipment.

Speakers from Japan and China generally agreed that bilateral relations are at an all-time high for this century and will be further cemented with the October visit to China by Emperor Akihito.

But on Japan's harsh military aggression toward China in the 1930s and 40s, some panelists differed on whether Japan had sufficiently atoned for its war atrocities.

Xu Dan, deputy director of the China Institute of Contemporary International Relations, said war responsibility rests on the shoulders of a "handful of militants," not with the younger generation.

But he said it seems that many cabinet members may be included among the minority who have failed to recognize Japan's past mistakes.

Over the years China has reacted angrily to occasional remarks by senior politicians who assert that war atrocities have been exaggerated or seek to justify Japan's aggression.

Xu, a former Foreign Ministry official, suggested Japan should style itself after Germany, which he said took a clear-cut attitude in condemning Nazism. "Japanese people clearly do not show the same (attitude)."

Kakizawa, pointing to the emergence of neo-Nazism in Germany, retorted that, "Germany should not be idealized and Japan should not be taken as the villain."

Kakizawa cited the democratic principle of freedom of speech in defending comments by cabinet members, adding, "I hope you can understand there are all sorts of people."

In a prepared speech, Kakizawa suggested that Beijing should regard Japan's economic assistance and its softer stance on human rights, in comparison to Western nations, as substitutes for wartime compensation.

"I would hope that the fact that Japan led the way in reestablishing economic aid to China after the Tiananmen incident, for example, is taken to be a gesture of indirect compensation for Japan's wartime deeds," Kakizawa said in a copy of a speech distributed at the conference hall.

"I hope that both sides will also bear in mind that the future cannot be built if we are all busy fussing about the past," he said.

Cabinet Finalizes Plan for PKO Troop Deployment

OW0809011992 Tokyo KYODO in English 0108 GMT 8 Sep 92

[Text] Tokyo, Sept. 8 KYODO—The government formally approved a plan Tuesday to send more than 1,800 military and civilian personnel to Cambodia, paving the way for Japan's first full contribution to U.N. peacekeeping operations [PKO] under a contentious law approved by parliament this summer.

They will be the first Japanese ground troops sent on an overseas mission since World War II.

The cabinet of Prime Minister Kiichi Miyazawa also gave its stamp of approval to a plan to dispatch three election observers to Angola on September 16 to monitor the September 29-30 election there.

The peacekeeping ordinances, which come into effect Friday, bring Japan a step closer to meeting a pledge made after the Persian Gulf crisis two years ago to increase its personnel contribution to maintaining world peace.

Eight Self-Defense Forces (SDF) ceasefire monitors are to depart on September 17 for Cambodia.

They will be joined by a 600-member engineering corps charged with road and bridge repair, and 75 civilian police officers who are to arrive by mid-October.

Miyazawa urged his 20-member cabinet to cooperate with the peacekeeping effort. "I want our nation's contributions to maintaining peace to be widely understood both at home and overseas," he said.

Outside the prime minister's official residence, where the cabinet was meeting, riot police vastly outnumbered a handful of protesters, among them four Buddhists dressed in saffron robes.

Police forcibly removed two members of a group of five protesters when they tried to use a microphone to shout their message, "No to Japanese troops in Cambodia."

The police said the protesters did not have permission to use a microphone on a public sidewalk.

Defense Agency Chief Sohei Miyashita called on members of the SDF engineering corps to do a good job to gain the trust of the Japanese people and international society.

Chief Cabinet Secretary Koichi Kato said Japan seems to have won broad international support for dispatching peacekeeping soldiers, even from neighboring Asian countries such as China which are wary of overseas deployments of Japanese soldiers.

Shortly after the peacekeeping law was passed in June, Miyazawa said in an interview that Japan probably would deploy peacekeepers to Cambodia as early as December.

The date was moved up after Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC), said he wanted the SDF to be deployed by the end of October at the latest.

A total of 1,811 personnel, including substitutes for the 600- member engineer corps and the crews of the planes and ships that transport the peacekeepers, are to join the operation before it expires at the end of October 1993.

The dispatch order is expected to stir further debate by the leading opposition group, the Social Democratic Party, and other critics in the Diet over whether it complies with the peacekeeping law, which was passed despite stiff opposition.

The law stipulates that before troops can be sent, a ceasefire must be in place, disputing parties must

approve of Japanese participation, and that the peacekeeping force must be neutral.

The government maintains that, although Cambodia's Khmer Rouge faction has so far refused to lay down arms, it has not rejected the ceasefire spelled out in the Paris peace accord.

The United Nations formally asked Japan last week to send 683 personnel to Cambodia to help U.N. peacekeeping missions in the war- devastated country.

After approving the ordinances, the government was scheduled to notify the U.N. Headquaters in New York of its plan immediately to meet the request for assistance. It will also notify the heads of both houses of the Diet within Tuesday.

The ordinances cover details on the deployment, including the period of service, the number of personnel, and equipment, including road repair machinery and firearms.

The U.N. Peacekeeping Law caps personnel deployments at 2,000, and limits their weapons to revolvers and small firearms.

The engineer corps will be issued rifles, however, under ordinary circumstances they are not expected to carry them.

The ordinance also provides for special daily allowances ranging from 4,000 yen for transport crew members to 20,000 yen for ceasefire monitors and civilian police, twice the amount received by Maritime Self-Defense sailors who served on minesweepers dispatched to the Persian Gulf last year.

Compensation for death or injury ranges from 10 million to 60 million yen, 50 percent higher than for injuries suffered by civil servants if they occur in Japan.

North Korea

N-S Political Subcommittee Meets at Panmunjom

SK0409132792 Pyongyang Korean Central Broadcasting Network in Korean 1215 GMT 4 Sep 92

[Text] The chairmen of the Political Subcommittee to the North-South high-level talks met today at Tongilgak on our side of Panmunjom.

Our side referred to the previous Political Subcommittee meeting, the seventh, at which the South side tried to turn the North-South agreement into an official document that would fabricate two Koreas by distorting the agreement's meaning. At the end of the meeting, it preposterously insisted that relations between the South and North are relations of peaceful coexistence and that Korea is not one. Regarding this as a serious statement, our side strongly charged that this intolerable ranting insults the national desire and aspirations for reunification.

Our side stressed that as long as the South side continues to pursue a policy of depending on outside forces, with its national self-reliance lost, there is practically nothing to solve even after conducting talks. Our side said that if the South really intends to make any progress in the discussion of the annexed agreement, it should take a decisive step to remove some poisonous articles from its own proposal that stand in the way of national reconciliation, unity, and reunification.

Our side then said that if the Political Subcommittee fails to adopt an annexed agreement on reconciliation, this will obstruct the adoption of annexed agreements in other areas, like military or cooperation and exchange, as well as the formation of the joint reconciliation committee.

The South side, still presenting a distorted interpretation of the North-South agreement to which it committed itself before the whole nation, said that ideology, along with outside forces, was to blame for the division of Korea, and kept making the antinational and antireunification remark that the goal of one Korea is a fiction.

Our side, after clarifying that our country is one land and one people and division was due to outside forces from beginning to end, strongly charged that the South side's stand and position that perpetuates division means that it does not intend to implement the North-South agreement or adopt the annexed agreement on the reconciliation.

In the working discussion, our side, driven by the desire to produce the annexed agreement at all costs before the eighth round of the North-South high-level talks, repeatedly urged the South side to accept our reasonable and fair proposal, such as removing the legal and institutional devices that reveal the South side's unjust [word indistinct] that goes against the North-South agreement and obstructs reconciliation and reunification.

The two sides agreed to hold another contact of chairmen on 8 September.

'No Progress' Made

SK0809135592 Pyongyang Korean Central Broadcasting Network in Korean 1308 GMT 8 Sep 92

[Text] The chairmen of the Political Subcommittee of the North-South high-level talks met in Panmunjom today.

At the contact, from the position to complete the drafting of a supplementary agreement on reconciliation before the eighth North-South high-level talks, our side again advanced a momentous revised proposal and strongly urged the South side to withdraw its draft general provisions, which have been an obstacle to drafting the supplementary agreement and which are designed to fabricate two Koreas.

However, the South side presented a revised proposal in which the basic content of its unjust draft general provisions are included in other paragraphs. It also unreasonably insisted on examining and discussing the general provisions on the condition that we accept its revised proposal.

We sternly called the South side to account for its antinational, antireunification attitude illustrated in its presentation of divisionist proposals as the proposed general provisions and its insidious act.

Defining North-South relations as relations between states, the South side insisted that it cannot discuss the general provisions if we do not accept its revised proposal, whose basic paragraphs contain divisionist expressions. Therefore, no progress was made in today's contact.

In concluding the contact, our side again said that after abandoning at the earliest possible date its position of relying on outside force and its antireunification position and assuming the spirit of national independence, the South side must come to a meeting to draft the supplementary agreement if it sincerely hopes for reconciliation and peace.

North-South Military Subcommittee Meets 5 Sep

SK0509130292 Pyongyang Korean Central Broadcasting Network in Korean 1209 GMT 5 Sep 92

[Text] The eighth Military Subcommittee meeting for the North and South high-level talks was held on 5 September at Tongilgak in our side of Panmunjom.

During the talks, our side revealed that regardless of our sincere position and earnest efforts to give birth to the agreement on nonaggression as soon as possible, the annexed agreement was not drawn up by 1 September, as promised by both sides. Our side revealed, giving detailed facts, that the side wholly responsible for this is the South side, which created artificial barriers within and outside the conference room in drawing up the annexed agreement. In this connection, our side gravely questioned the South side.

Our side said that even at this time, the South side should change its position and attitude to produce the annexed agreement, which can thoroughly fulfill nonaggression in conformity with the entire nation's seething desire and demand, before the eighth round of North-South high-level talks. Our side also repeatedly urged the South side not to insist any longer on unreasonable paragraphs that have nothing to do with fulfilling nonaggression, but to sincerely accept our basic proposals, which are just and rational.

The South side said that it is very regrettable that the annexed agreement was not drawn up by 1 September. However, when holding discussions on the paragraphs, in connection with ROK-U.S. relations, the South side made absurd remarks by saying that the U.S. forces are not aggressors but collaborators and partners. It tried to justify the nuclear commotion and the war exercise commotion being carried out against us.

The South side thoroughly ignored our just and fair measures for fulfilling nonaggression. On the other hand, the South side produced a revised proposal which changed unworthy paragraphs and continued to insist on this.

The antinational and antireunification stance of the South side, which is still intent on doing nothing but adopting an annexed agreement that envisions preventing accidental armed clashes and opening direct telephone lines, which continues a military buildup in areas close to the Military Demarcation Line, which conducts espionage activities against us, and which participates in outside forces' aggressive acts against its fellow countrymen, was revealed.

Our side made it clear that our firm stance is to adopt at the earliest possible date the annexed agreement necessary for genuine peace and genuine nonaggression desired so much by all the people. Our side then stressed once again that whether or not the annexed agreement on nonaggression promised to the nation is produced depends entirely on the South side's attitude toward the talks.

Despite our side's sincere stance and earnest efforts to complete the finalization of the annexed agreement before the end of the meeting at any cost, the two sides have failed to reach an agreement on the basic issues, except on some secondary ones due to the South side's dependency on outsiders and division-oriented stance and stubbornness.

After making it clear that the issue of producing an annexed agreement on nonaggression as promised to the entire nation is not merely a working issue but a serious issue of reconciliation and confrontation, peace and war, and patriotism and treachery, our side gravely warned that if the South side delays the implementation of the points agreed on between the North and South, it means committing unforgivable crimes before the nation and people.

Our side then repeatedly urged the South side to return to the self-respecting stance of valuing one's own country and people more than any other rather than clinging to the policy of depending on outside forces and to come to the talks after studying more deeply the basic issues we have presented to finalize the annexed agreement on nonaggression before the eighth round of the North-South high-level talks.

At the end of the meeting, the two sides' chairmen met and continued discussing working issues.

South's 'Bigoted Insistence' Cited

SK0509163292 Pyongyang KCNA in English 1547 GMT 5 Sep 92

[Text] Panmunjom, September 5 (KCNA)—The eighth meeting of the Military Subcommittee of the North-South high-level talks was held at the Tongil House in the North side's portion of Panmunjom today.

At the meeting, the North side repeatedly urged the South side to take a position and attitude of working out an annexed agreement for strictly observing nonaggression before the eighth inter-Korean high-level talks as earnestly desired and demanded by the entire fellow countrymen, to no more insist on unreasonable articles which have nothing to do with the observance of nonaggression and to sincerely accept the North side's just and reasonable proposals.

The South side said it was "very regrettable" that an annexed agreement had not been worked out before September 1, but, when the discussion of the articles began, it argued, as regards the South Korea-U.S. relations, that the U.S. forces were not an aggressor but its "helper" and "companion" and attempted to justify its outcries over the "nuclear" problem and war exercises against the North.

The South side, ignoring the fair measures for faithfully observing nonaggression proposed by the North side, came out with a "modified draft" in which secondary points were revised, and insisted on it.

Despite the North side's sincere position and earnest efforts to round off the working out of the annexed agreement, the sides failed to reach agreement on the main points, except some secondary points, due to the South side's bigotted insistence and its position of depending on outside forces and seeking division.

The North side seriously warned that if the South side delayed the implementation of the points agreed upon between the North and the South, it would be committing a crime never to be condoned by the country and the nation.

Following the meeting, the chairmen of both sides met and continued to discuss practical matters.

Partial Agreement Reached in Exchange Subcommittee

SK0709154692 Pyongyang KCNA in English 1520 GMT 7 Sep 92

[Text] Panmunjom, September 7 (KCNA)—Contact between the chairmen of the Cooperation and Exchange Subcommittee of the North-South high-level talks was held at the Tongil House in the North's portion of Panmunjom today.

The North side pointed out at the contact that the arrangement of the text had not yet been completed owing to the unjust assertions and delaying tactics of the South side, though the North side had made every effort possible, producing one amendment after another, to have an annexed agreement worked out at an early date as required by the points of agreement between the sides. And it urged the South side again to take a sincere stand and stance, totally accepting the remaining principled and reasonable articles put forward by the North side.

At today's contact the sides reached an agreement on eight articles including the question of "endorsement by the authorities" as regards the parties to economic cooperation and exchange and the humanitarian problem, thanks to the principled stand and sincere efforts of the North side.

But, no agreement was reached on the question of removing legal and institutional mechanisms standing in the way of the travel and contact between members of the nation which had been consistently urged by the North side, as the South side stubbornly insisted on its being transferred to the legal working council of the joint reconciliation committee to be formed.

Thus the sides reached an agreement in principle on all but one article of the 50 paragraphs of 20 articles of chapters of the agreement in the field of economic cooperation and exchange.

At the contact today the South Side showed once again that there was no change in its insincere stand not to strictly implement the North-South agreement to which it had committed itself before the whole nation by installing legal and institutional mechanisms barring free travel and contact between members of nation, while talking about the implementation of economic cooperation and exchange.

Concluding the contact, our side made clear again that it was its firm stand to produce all annexed agreements in political, military, cooperation and exchange fields as the sides proposed at the North-South high-level talks. It urged the South side to ponder over the matter, mindful that the article on the removal of the legal and institutional mechanisms obstructing free travel and contact between members of the nation must be specified in the annexed agreement to be adopted in the field of cooperation and exchange.

Japanese Report on Food Riots Protested

OW0809034892 Tokyo KYODO in English 0332 GMT 8 Sep 92

[Text] Beijing, Sept. 8 KYODO—North Korea strongly protested Monday [7 September] about reports last week by KYODO NEWS SERVICE that disturbances had erupted in North Korea over food shortages and limits on currency exchanges.

Yi Ki-pom, first secretary of the North Korean Embassy here, lodged the protest with KYODO's bureau in Beijing, charging that there has not been one incident of rioting in North Korea, and that in the future, it is an "impossibility."

KYODO responded that it had based its reports on a number of reliable sources. On September 2, KYODO reported that the border between China and North Korea had been closed to Chinese tourists and that rumors were rife in the Yanbian region of China's Jilin Province about riots in North Korea because of food shortages.

On Monday, Yi denied that Chinese tourists were being refused entry into North Korea.

On September 4, quoting Western diplomatic sources, KYODO reported that small-scale riots had occurred in a number of cities throughout North Korea over limits placed on exchanges of old currency for new currency issued this spring.

Kim Il-song Chairs Provincial Party Plenum

SK0709123892 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 6 Sep 92

[Text] An expanded plenary meeting of the North Hamgyong Provincial Committee of the Workers Party of Korea [WPK] was held under the guidance of the great leader Comrade Kim Il-song.

On 4 September, an expanded plenary meeting of the North Hamgyong Provincial Committee of the WPK was held under the guidance of Comrade Kim Il-song, the great leader of our party and people.

Members and candidate members of the North Hamgyong provincial party committee and members of auditing committee of the provincial party attended the expanded plenary meeting. Also attending the meeting were provincial functionaries of the party and government organizations, administration and economic organizations, plants and enterprises, and rural economy sectors.

The expanded plenary meeting discussed the issue of further developing the national economy in North Hamgyong Province.

Before the meeting, the great leader Comrade Kim Il-song gave on-the-spot guidance to Yimgang agricultural and stock farm and Tokso cooperative farm in Musan County, the Kyongsong County branch of the Academy of Agricultural Sciences, and various other units. He convened meetings of each council and learned the real economic situation in the province.

At the expanded plenary meeting, the great leader Comrade Kim Il-song made a conclusion which will serve as a programmatic guideline for successfully attaining the last-stage targets of the Third Seven-Year Plan by effecting a new great upsurge in all sectors of the national economy in North Hamgyong Province and by further accelerating the three revolutions—ideological, technological and cultural—and for vigorously accelerating overall socialist construction.

The great leader Comrade Kim Il-song expressed great satisfaction with North Hamgyong Province's many successes in the struggle to implement the party's economic policy during the last few years.

The great leader Comrade Kim Il-song said he was very satisfied that scientists and technicians in agriculture and agricultural workers in North Hamgyong Province vigorously carried out the struggle to implement the party's policy for waging a green revolution under the guidance of the provincial party committee and thus opened a bright prospect for achieving a turning point in agricultural production. He thanked party organizations at all levels in the province, including the provincial committee, scientists and technicians in agriculture, and agricultural workers.

The great leader Comrade Kim Il-song expressed great satisfaction that all party members and workers in Songjin steel complex, Kim Chaek iron complex, and Musan mine complex increased production capabilities so well by introducing new processes and normalized production of steel and iron at a high level. He thanked party organizations in each relevant enterprise, party members, and workers.

The great leader Comrade Kim Il-song highly appraised workers and technicians in various plants and enterprises in North Hamgyong Province for having excellently solved valuable technological problems and contributed to economic construction and promotion of the people's living standard by vigorously carrying out the technological innovations movement. He extended thanks to them.

At the expanded plenary meeting, the great leader Comrade Kim Il-song put forward important tasks facing North Hamgyong Province's party organizations.

The great leader Comrade Kim Il-song taught that the primary task facing North Hamgyong Province's party organizations is to do the ideological indoctrination work properly to educate party members and workers in a revolutionary manner.

The great leader Comrade Kim Il-song stressed that thoroughly implementing the three revolutions—ideological, technological and cultural—while strengthening the popular government and constantly enhancing its functions and role is a general line put forward by our party in socialist construction. He taught that what is most important in doing this is to foster all members of society to be passionate revolutionaries and genuine patriots by giving priority to ideological revolution.

The great leader Comrade Kim Il-song stressed that since the essential superiority of a socialist society is to be defined by the popular masses who have the socialist idea, the ideological indoctrination work for party members and workers should be constantly done without even a moment's interruption. He taught that our party brought about the driving force of our revolution by vigorously waging the ideological revolution in the past,

and as a result, we are successfully building socialism and carrying out the chuche-based revolutionary cause.

The great leader Comrade Kim Il-song taught that party organizations at all levels should further strengthen the education of the chuche idea among party members and workers so that they become chuche-type revolutionaries who live and act only in accordance with the demand of the chuche idea without knowing any other ideology except our party's chuche idea.

The great leader Comrade Kim Il-song pointed out that in our society, which attained firm unity based on revolutionary comradely love, a noble outlook on life is being highly displayed while people are helping and leading each other under the slogan, "One for all, all for one!" He taught that party organizations should intensify indoctrination of collectivism among party members and workers so that they serve society, the collective, the nation, and the people with devotion and that they tenaciously struggle against individualism, egoism, and all outdated ideologies, thus glorifying popular mass-centered socialism of our own style.

The great leader Comrade Kim Il-song emphasized that indoctrination of revolutionary tradition is of great significance in the revolutionary education of party members and workers, and thus party organizations should pay deep attention to this work. He taught that since there are many old revolutionary battlefields and revolutionary relics in North Hamgyong Province, the indoctrination work on revolutionary tradition should be substantively carried out with those old battlefields and revolutionary relics as teaching materials so that all party members and workers learn from the example of noble and lofty revolutionary spirit of anti-Japanese revolutionary fighters and remain endlessly loyal to the party and the revolution.

The great leader Comrade Kim Il-song pointed out that for revolutionization and working classification of party members and workers, organizational life, along with ideological indoctrination work, should be strengthened. He taught that party and workers' organizations should properly lead party and union members so that they faithfully participate in the organizational life.

The great leader Comrade Kim Il-song stressed that to lead the revolution and construction successfully, the party should be further strengthened; in particular, the party cell—our party's lowest basic organization—should be strengthened.

The great leader Comrade Kim Il-song taught that party organizations in North Hamgyong Province should put great efforts into the work with intellectuals by making the best use of the experiences they have gained, particularly during their work with intellectuals.

The great leader Comrade Kim Il-song pointed out that based on its insight into the role and importance of intellectuals in social development, our party put a pen in its symbol along with the hammer and sickle and brought the intellectuals to the front as a driving force of our revolution, thus showing that he cares warmly for them. He taught that party organizations at all levels should organize the work with intellectuals more meticulously so that they uphold our party with technology and knowledge and glorify our nation.

Next, the great leader Comrade Kim Il-song put forward tasks for North Hamgyong Province's economic domain. He taught that coal industry should be developed. The great leader Comrade Kim Il-song said that increasing coal production is the most important issue in normalizing production in plants and enterprises. He stressed that North Hamgyong Province, which has abundant coal deposits, should pay primary attention to increasing its coal production.

The great leader Comrade Kim Il-song taught that to increase coal production, survey work should be strengthened to provide new coal fields, and mechanization of tunneling work should be vigorously done by researching pits.

The great leader Comrade Kim Il-song taught that in order to meet the ever-increasing demand for coal, it is imperative for all the sectors of the national economy to give priority to mining equipment and materials for the mining sector and for the guidance functionaries in the coal sector to strengthen the guidance on production.

The great leader Comrade Kim Il-song outlined tasks to increase power production. Saying that to normalize power production at a high level in North Hamgyong Province, which has many large plants and enterprises that consume a large amount of power and supplying sufficient power to them is a fundamental problems, he taught that it is necessary to increase the capacity of existing power stations and simultaneously complete the construction of the thermal and hydraulic power stations, including Kim Chaek thermal power station.

The great leader Comrade Kim Il-song put forward tasks to develop the metal industry. Stating that as North Hamgyong Province has many large iron production bases such as Kim Chaek iron and steel complex and Songjin steel complex, the great leader Comrade Kim Il-song taught that increasing the steel products is of particular significance in the economic development of the nation as a whole.

He taught that in order to increase the output of iron and steel, it is imperative to establish more strictly the chuche character of the ferrous metal industry, vigorously launch the technical innovation movement, and give full play to production capacity by improving and strengthening enterprise management even more as demanded by the Taean work system.

Noting the need for a timely supply of high quality processed ore to normalize production of the iron and steel products at a high level, the great leader Comrade Kim Il-song taught that it is necessary to produce and

supply more processed ore to iron and steel complexes by increasing the production capacity in the Musan mining complex.

The great leader Comrade Kim Il-song stressed the need to develop the chemical industry. He taught that North Hamgyong Province, while concentrating on producing chemical fertilizer, should produce large amounts of various chemical products, such as chemical fiber and paper, and supply a sufficient amount to the light industrial plants.

Noting that North Hamgyong Province has attained great success in implementing the party's light industrial revolution policy, the great leader Comrade Kim Il-song taught that functionaries and working people in the light industrial sector should produce more high quality light industrial goods, including the people's consumer goods and foodstuffs, by holding high the spirit of their devoted service for the people.

The great leader Comrade Kim Il-song put forward tasks to increase the production of aquatic products. Saying that many bays and ports in North Hamgyong Province are very advantageous to developing the fishing industry, the great leader Comrade Kim Il-song stressed the need to utilize the sea as required by the party's slogan that calls for improving the people's standard of living, with coastal and mountainous areas utilizing the sea and mountains to their advantage.

He stressed the need to use different ways to catch fish year round in shallow and deep water, the need to produce more tasty marine processed goods by developing the marine products processing industry, and the need to increase the production of marine products, such as seaweed and mussels, by expanding the fish farms.

The great leader Comrade Kim Il-song taught the need for city construction and city management to be done well. He stressed the need to build Chongjin and Najin and other cities, to strengthen city management, and to build the recreation parks and holiday resorts better as cultural recreation grounds for working people. He added that in order to powerfully promote city construction, it is imperative to reinforce the construction forces and supply sufficient equipment needed for construction.

The great leader Comrade Kim Il-song put forward tasks facing the agricultural sector. Noting that North Hamgyong Province has a solid material and technical foundation for significantly increasing the agricultural production and noting that the enthusiasm of the agricultural working people is very high, he set the province's goal of grain production and then elucidated the specific ways and means to fulfill it.

Saying that the experience acquired by cooperative farms along the Tumen River, such as Onsong and Saetpyol Counties, which have been systematically increasing the yield per chongbo [unit measuring land acreage] in recent years, shows that grain production can be increased a lot more if the chuche method of farming of our party is applied even in North Hamgyong Province, the northernmost region of the country, the great leader Comrade Kim Il-song emphasized the need to thoroughly implement our party's chuche-oriented farming method whose superiority has been clearly proven through practice.

Stating that seed, fertilizer, and water are the most important elements in farming, he stressed that it is essential to vigorously continue the green revolution to sow good seeds suited to the topographical conditions, increase the production of various kinds of fertilizer and apply them appropriately, and irrigate well by repairing and reinforcing the irrigation equipment.

He said that in order to mechanize all the farming jobs, it is imperative to utilize farming tools and produce and supply more new, efficient farm machines to the rural communities.

The great leader Comrade Kim Il-song said that North Hamgyong Province should cultivate on a large scale oil-bearing crops and industrial crops that grow well in northern ares, along with the rice and corn, and should actively increase the production of cocoons by actively developing the sericulture.

The great leader Comrade Kim Il-song taught the need to make all the stockbreeding bases, including poultry and duck farms across the country, operate at full capacity and produce and supply more meat and eggs to the people by raising domestic animals on a large scale in the rural communities.

He said that now that our people's century-long desire to eat well, to wear better clothes, and live happily in good houses is being brilliantly realized in the era of the party of the working class, the people's desire can be completely fulfilled within a few years if farming is done better, and then urged North Hamgyong Province to take the lead in this rewarding struggle.

The great leader Comrade Kim Il-song expressed his conviction that although the tasks facing North Hamgyong Province are very vast, the party organizations at all levels, including the provincial party Committee, leading functionaries, party members, and working people in the province would successfully fulfill them by giving full play to their high revolutionary spirit and fighting power.

Saying that there can be no unconquerable fortress for us as long as we have the great party which confidently leads our people along the road of socialism, the inexhaustible strength of our people singleheartedly united around the party and socialism of our own style centered on the popular masses which we have built at the cost of blood, the great leader Comrade Kim Il-song stressed the need for all the people to turn out as one in the sacred struggle to glorify the socialist fatherland and consummate the chuche revolutionary cause under the party leadership.

The great leader Comrade Kim Il-song's teachings at the enlarged plenum of the North Hamgyong provincial party committee are the programmatic guidelines that must be adhered to in accelerating the victorious advance of our revolution and construction and in further developing the economy in North Hamgyong Province, as well as a banner of encouragement that vigorously summons all the party members and working people to the last charge for brilliantly completing the Third Seven-Year Plan.

Kim Il-song Meets Women's Forum Participants

SK0609090192 Pyongyang KCNA in English 0839 GMT 6 Sep 92

[Text] Pyongyang, September 6 (KCNA)—The great leader President Kim Il-song today received the South side's delegation led by Yi U-chong, former vice-chairperson of the South Korean Council of Christian Churches and democratic member of the "National Assembly", and overseas Korean women who had participated in the third Pyongyang seminar on "Peace in Asia and the Role of Women".

Present on the occasion were the members of the North side's delegation led by Yo Yon-Ku, Presidium member of the C.C.[Central Committee], Democratic Front for the Reunification of the Fatherland and permanent member of the C.C., Korean Democratic Women's Union.

President Kim Il-song hailed the success of the third Pyongyang seminar on "Peace in Asia and the Role of Women" and had a cordial talk overflowing with compatriotic feelings with the members of the South side's delegation and overseas Korean women.

The members of the South side's delegation presented a gift to President Kim Il-song.

He arranged a luncheon for the South side's delegation and overseas Korean women.

Kim Il-song, Kim Chong-il Meet KPA Combatants

SK0609102092 Pyongyang KCNA in English 0842 GMT 6 Sep 92

[Text] Pyongyang, September 6 (KCNA)—President Kim Il-song, the great leader of our party and our people, and Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and supreme commander of the Korean People's Army [KPA], today met and congratulated the participants in the meeting of model combatants of the Korean People's Army.

The participants warmly welcomed President Kim Il-song and Comrade Kim Chong-il, raising a storm of cheers "hurrah!"

Present on the occasion were Marshal O Chin-u, member of the Presidium of the Politburo of the C.C., the WPK, vice-chairman of the National Defence Commission of the DPRK, member of the party Central Military Commission and minister of People's Armed Forces; Vice-marshal Choe Kwang, Politburo member of the C.C., the WPK, vice-chairman of the National Defence Commission of the DPRK, member of the party Central Military Commission and chief of the General Staff of the KPA; Vice-marshals of the KPA Yi Ul-sol and Chu To-il, members of the C.C., the WPK and members of the National Defence Commission of the DPRK; Yi Ha-il, member of the C.C., the WPK, member of the National Defence Commission of the DPRK and department director of the C.C., the WPK; KPA Generals Yi Pong-won and Kim Tu-nam, members of the C.C., the WPK; and other generals of the KPA.

President Kim Il-song and Comrade Kim Chong-il congratulated the participants of the meeting on their feats in increasing the combat capabilities of the KPA in every way and firmly safeguarding the Defence line of the socialist motherland under the military line of the Workers' Party of Korea, and had a picture taken with them.

The entire participants were filled with the unshakable determination to intensify the combat and political training as required by the modelling of the whole army on the chuche idea and prepare themselves more firmly to be revolutionary soldiers each being a match for a hundred and defend the revolutionary cause of chuche, the socialist cause, by force of arms.

South Korea

South-North Military Subcommittee Meets 5 Sep

SK0509092792 Seoul YONHAP in English 0916 GMT 5 Sep 92

[Text] Seoul, Sept. 5 (YONHAP)—South and North Korean officials met at Panmunjom Saturday to discuss the unsettled clauses of an auxiliary agreement in the area of non-aggression, but no substantial progress was registered.

At the eighth subcommittee meeting held at Tongilkak in the northern area of the truce village, the two sides decided to continue their discussion through subcommittee chairmen's contact sometime before the eighth prime ministers meeting slated for Sept. 15 in Pyongyang.

At Saturday's meeting, the South set forth a final version that incorporated part of North Korean ideas in the hope of winding up debate on the auxiliary accord before the Pyongyang meeting.

But, all they could do during the four hours' talks was to agree on three clauses including Article 8 "Immediate Report on the Occurrence of Inadvertent Armed Clashes" and the title of Chapter 5 "Consultation and Implementation Office."

Of the total 22 articles in six chapters of the proposed auxiliary agreement, those agreed on so far were the titles of the six chapters and the contents of nine articles.

Following the subcommittee meeting, the two sides had a separate chairmen's contact but failed even to set the exact time of the next meeting.

South-North Cooperation Subcommittee Meets 7 Sep

SK0709075692 Seoul TONG-A ILBO in Korean 7 Sep 92 p 1

[Text] At the contact of the chairmen of the Cooperation and Exchange Subcommittee of the South-North high-level talks held today at Panmunjom, the South and North discussed the parts of the annexed agreement they have not been able to resolve. These issues include getting "an endorsement for cooperation and exchange from the authorities"; the removal of obstructive legal and institutional devices; and the opening of a building at Panmunjom where separated families can be reunited.

The South side is reported to have told the North that the South can abandon its stand on inserting a clause in the annexed agreement that makes "an endorsement from the authorities" a condition for cooperation and exchange if the North shows sincerity in such matters as family reunions of separated families and relatives.

The South is also reported to have proposed to the North that "removing legal and institutional obstacles to cooperation and exchange, such as the National Security Law," upon which the North insisted, be referred to the South-North legal working council instituted within the framework of the Political Subcommittee.

In addition, the South side is reported to have emphasized that the North should accept the proposal for opening a building for family reunions at Panmunjom without conditions and called for finalizing the date for the aborted exchange of separated families at the eighth round of the South-North high-level talks scheduled for 15 September.

Annexed Agreement Reached

SK0709112292 Seoul YONHAP in English 1109 GMT 7 Sep 92

[Text] Panmunjom, Sept. 7 (YONHAP)—The two sides of Korea reached a complete accord Monday on an auxiliary agreement in the area of exchanges and cooperation.

A contact between the chairmen of the Exchanges and Cooperation Subcommittee of the South-North prime ministers meeting held at Tongilkak in the northern area of the truce village, agreed on the draft agreement comprising 70 articles in four chapters.

They decided to initial the auxiliary agreement during the eighth South-North prime ministers meeting opening in Pyongyang on Sept. 15.

At Monday's discussion, the two sides agreed to refer the issue of creating a reunion center for dispersed families to the Red Cross authorities of the two sides.

On the question of postal and telecommunications exchanges, the South and the North decided to promote their exchanges initially for public projects and humanitarian purposes.

They resolved the controversial question of whether government authorities should allow exchanges and cooperation projects by agreeing that exchange or cooperation undertakers would implement projects under their direct contracts concluded after they went through necessary procedures in their respective areas.

On another hot issue of removing legal and institutional obstacles to exchanges and cooperation, the two sides agreed to refer the issue to the Political Subcommittee. They decided that if and when the political panel reaches an accord on the clause, they would delete it from the exchanges-cooperation auxiliary agreement.

The North, however, insisted that the exchanges-cooperation auxiliary agreement can be signed only on the assumption that three proposed auxiliary accords would be agreed on, suggesting that the North may seek to adopt three auxiliary agreements, the two others being those on politics and military, on a package basis during the upcoming prime ministers meeting.

Liaison Officials Discuss High-Level Talks

SK0709110792 Seoul YONHAP in English 1046 GMT 7 Sep 92

[Text] Seoul, Sept. 7 (YONHAP)—South and North Korean officials Monday agreed that the Seoul delegation to the eighth prime ministers meeting slated for Sept. 15 in Pyongyang would drive through the new Kaesong-Pyongyang expressway to reach Pyongyang instead of by special train as in the past.

The two sides' liaison officials, meeting at Panmunjom, decided that the South Korean members would stay at the Paekhwawon guest house in Pyongyang as before.

During their four-day stay in Pyongyang, Prime Minister Chong Won-sik and other southern delegates will attend a dinner hosted by the North's Administration Council Premier Yon Hyong-muk on the evening of Sept. 15 and another by Supreme People's Assembly Chairman Yang Hyong-sop on Sept. 17 evening.

Prime Minister Chong and his delegation will enter the North by crossing the Military Demarcation Line at Panmunjom around 9:30 A.M. Sept. 15 and will return to Panmunjom at 12:30 P.M. Sept. 18.

The liaison officials decided to meet again at Panmunjom on Sept. 10 to have further discussions and exchange the list of southern delegation members with the North's written guarantee of their personal safety during their stay in the North.

N-S Liaison Contact Over Nampo Survey Fails

SK0809061592 Seoul YONHAP in English 0557 GMT 8 Sep 92

[Text] Seoul, Sept. 8 (YONHAP)—The collapse of talks between Seoul and Pyongyang Tuesday virtually rules out the visit of a South Korean fact-finding mission to the Nampo industrial complex in North Korea.

In a working-level contact at the border truce village of Panmunjom, liaison officers of the two sides failed to narrow differences over the formation and leader of the delegation.

North Korea demanded that the delegation comprise only private citizens and be led by Daewoo group Chairman Kim U-chung, going back on a tacit agreement that it include government officials.

Prospects are bleak for another working-level contact on the mission's dispatch as North Korea asked the South to notify it if there was any change in Seoul's position.

The two sides did agree, however, that Deputy Prime Minister Choe Kak-kyu would visit North Korea from Oct. 3 to Oct. 9 with a 10-member delegation.

They also agreed to exchange the names of the delegates during the eighth inter-Korean prime ministerial talks, slated for Sept. 15-18 in Pyongyang.

Liaison officers of the two sides will meet Sept. 22 to discuss the details of Choe's visit to the North.

Political Subcommittee Agrees on 2 More Clauses

SK0809094792 Seoul YONHAP in English 0936 GMT 8 Sep 92

[Text] Seoul, Sept. 8 (YONHAP)—The Political Subcommittee chairmen of the South-North prime ministers talks Tuesday agreed on two more clauses of a proposed auxiliary agreement in the area of reconciliation.

The two articles resolved were those on the suspension of slander and defamation through press and other means and on the prohibition of subversive propaganda and agitation against each other.

Tuesday's agreement brought to 10 the number of the clauses resolved so far out of the South's 28-article version of the supplementary accord.

At the contact held at Peace House in the southern sector of Panmunjom, however, the two sides failed to narrow differences on key clauses such as the issue of changing the existing armistice system into a peace mechanism.

They decided to have further chairmen's contacts during the eighth prime ministers meeting opening in Pyongyang on Sept. 15.

The southern chairman said at Tuesday's contact that the Political Subcommittee fails to register any substantial progress due to the North's adherence to the "one Korea" logic.

The South produced a revised version that featured the deletion of a general rules clause regulating the special relationship between South and North Korea pending the time of unification.

North Korea, however, rejected the rewritten version as "split-oriented," reiterating their demand for the revision or repeal of those statutory devices harmful to reconciliation and unification, entry into the U.N. and other world organizations under a single seat, and the repeal of treaties with third countries that run counter to national interests.

PRC Said Halted Nuclear Aid to DPRK in 1987

SK0809044492 Seoul CHOSON ILBO in Korean 8 Sep 92 p 2

[Text] It was confirmed on 7 September that China, watchful of the danger posed by North Korea's nuclear development, decided to stop transferring nuclear technology to North Korea in 1987 and withdrew all the nuclear technicians who had been sent to North Korea.

It was also learned that when North Korean President Kim Il-song visited China in early October last year, China refused to arrange an interview for him with Deng Xiaoping on the grounds that the latter had already retired and instead allowed Kim Il-song to meet only leaders of the newer generations, such as Jiang Zemin.

Until now, Western observers believed that Kim Il-song may have met with Deng Xiaoping during his visit to China last October.

A high-ranking government official, who had played a behind-the-scenes role in negotiations with China over the establishment of diplomatic relations, said on 7 September: In the course of holding talks with our country over the establishment of diplomatic relations, China said it was around 1987 when it became suspicious that North Korea was seeking to develop nuclear weapons behind its plan to build nuclear reactors; a high-ranking Chinese official was cited as the source.

The official continued: China confirmed that North Korea had given it no information on the nuclear facilities in Yongbyon and that China made clear its objection to North Korea's nuclear development. It is my knowledge that the Chinese Government, in the course of negotiations with Korea, shared the same opinion with us on North Korea's nuclear development and expressed its intention to make a joint effort to realize the denuclearization of the Korean peninsula.

He added: It was confirmed that during his visit to China last October, Kim Il-song not only could not meet Deng Xiaoping but also had to return to Pyongyang after hearing only unhappy words that China would keep

supplying foodstuffs and oil at the production cost, also known as fraternal prices, but wanted North Korea to pay in hard currency for the rest of the goods imported from China. Shortly after he returned to Pyongyang, Kim Il-song wrote a letter to Deng Xiaoping asking him to delay the establishment of diplomatic relations between the ROK and China, but he never received a reply.

ROK To Invite PRC To Observe 1993 Exercise

SK0509053992 Seoul YONHAP in English 0526 GMT 5 Sep 92

[Text] Seoul, Sept. 5 (OANA-YONHAP)—South Korea will invite China to observe its "Team Spirit" joint military exercise with the United States next year, an official said Saturday.

President No Tae-u is to make the proposal when he visits Beijing later this month, the official said. Press reports have said No will visit Beijing on Sept. 27-30.

"We have decided to invite two or three Chinese military officers to Team Spirit when the exercise resumes next year as part of South Korea-China military confidence building," he said.

Seoul and Beijing normalized ties Aug. 24.

Team Spirit has been held annually since 1976 until this year, when the maneuver was canceled because North Korea concluded a nuclear safeguards accord with the International Atomic Energy Agency.

South Korea began inviting the Soviet Union and China to observe the bi-national exercises in the early 1980s, but they have never accepted.

Disagreement With U.S. Military Reported

SK0609042192 Seoul TONG-A ILBO in Korean 5 Sep 92 p 2

[Text] Relevant government officials from the ROK and the United States have negotiated the turning over to the ROK side the peacetime right of the ROK-U.S. Combined Forces Command [CFC] (Commander, General Robert RisCassi who is also commander of Eighth U.S. Army and UN Forces) for the operational control of the ROK Army, by dividing the operational control into wartime and peacetime.

It was learned on 4 September that General RisCassi, however, strongly opposed this.

A relevant government official in the security field revealed that at the ROK-U.S. Security Consultative Meeting held in Seoul last October, the ROK and the United States agreed to turn over the right of operational control over the ROK Army to the ROK side sometime between 1993 and 1995. They also discussed transferring the peacetime operational control before or after 1993. General RisCassi, however, expressed opposition to this to the U.S. Defense Department last July.

Disagreement Denied

SK0609050692 Seoul THE KOREA HERALD in English 6 Sep 92 p 3

[Text] The Defense Ministry yesterday denied a news report that there is a disagreement between South Korean and U.S. military officials on the timing of the transfer of peacetime operational control from the United States to Korea.

A ministry spokesman said that the defense ministers of the two countries had already agreed to effectuate the transfer between 1993 and 1995 at the 23rd Security Consultative meeting held in Seoul last November.

"Korean and U.S. officials share a single view on the timing and method of the transfer, and close consultation is now under way on detailed matters," said Brig. Gen. Yun Chang-no in a statement.

He was refuting a news report of the KYONGHYANG SINMUN which said in its Saturday edition that Gen. Robert W. RisCassi, commander of the U.S. Forces Korea, was strongly opposed to an early transfer of the peacetime operational control to South Korea.

According to the KYONGHYANG story, RisCassi, in a recent meeting with high-ranking officers of the Korean Joint Chiefs of Staff, said the proposed transfer of the peacetime operational control over both South Korean and U.S. forces stationed in Korea will not be carried out during his tenure in Korea. It is not known how long RisCassi is expected to serve in Korea.

Defense Ministry spokesman Yun, however, said that the two countries are scheduled to hold the 24th Security Consultative Meeting in Washington in October to further discuss the pending transfer of control and other issues.

"The news report that there was a disagreement on the transfer of peace-time operational control between the two countries is not true, nor does it have any good impact on the friendly relations between the two countries," Yun said.

USSR-DPRK Treaty Said Not To Be Revised

SK0309101892 Seoul YONHAP in English 0536 GMT 3 Sep 92

[Text] Seoul, Sept. 3 (YONHAP)—Russian Ambassador to South Korea Aleksandr Panov said Thursday that although the Soviet-North Korean cooperation and mutual assistance treaty was inadequate for the current situation, Russia had no intention of revising it.

The treaty still contained some important elements for military security on the Korean peninsula, Panov told a meeting sponsored by the Korean Council of Foreign Relations.

Besides, if Russia unilaterally decided to re-evaluate treaties the Soviet Union concluded with foreign countries, the foundation of Russian diplomacy itself would collapse, he said.

Panov noted that the first provision of the Soviet-North Korean treaty obligates Russia to defend North Korea if it is attacked without any provocation.

"There is no necessity for Moscow to sever relations with Pyongyang as the two countries have been close partners in many fields for so long," he said.

Panov said Russia's ties with South Korea, based on the democratic and free market principles, were developing as cooperative partners.

There had been war, tragic incidents and a "dark" side to relations between South Korea and the former Soviet Union, but the future of the Russian-South Korean relations had only "a bright side," he added.

Panov stressed that cooperation between Seoul and Moscow would be further strengthened with the "basic treaty" to be signed when Russian President Boris Yeltsin visits South Korea later this month.

With regard to bilateral cooperation, Panov said the two nations were expected to hold the first meeting of the joint economic committee soon.

In addition, Panov cited a Russian plan to build an industrial complex in Primorskiy Kray, on the North Korean border at the estuary of the Tumen River, to house more than 100 South Korean factories.

Russia was also working out plans for joint development of Siberian and Sakhalin natural gas fields and the construction of a 5,000-kilometer pipeline, Panov said.

Moreover, the two countries would undertake joint research in aviation, metallurgical and medical fields. Some 100 Russian scientists will visit South Korea this year, brightening, especially, the prospects for South Korea's efforts to convert Russian military technologies to civilian industrial use, he said.

Commenting on the Russian role in Northeast Asia, Panov said his country's aim was to help maintain peace and stability in the region.

Acknowledging that Russia's influence in this area was not as strong as it used to be, Panov said any important political development in the region still could not be solved without Russia's participation or at least without taking Russia's position into consideration.

Russia Cuts Tariffs on ROK Imports by Half

SK0409022492 Seoul YONHAP in English 0012 GMT 4 Sep 92

[Text] Seoul, Sept. 4 (YONHAP)—Russia cut tariffs by half on imports from South Korea Sept. 1, the Korea Trade Promotion Corp. (KOTRA) said Friday.

Russia reduced tariffs on imports from some developing countries and abolished them on goods from the least developed countries, according to KOTRA.

Among leading developing nations, Korea and Singapore were given tariff reductions. Taiwan was omitted because it lacks diplomatic ties and trade agreement with the Russian federation, KOTRA said.

ROK To 'Push' Economic Ties With Russia

SK0809031992 Seoul YONHAP in English 0238 GMT 8 Sep 92

[Text] Seoul, Sept. 7 (YONHAP)—South Korea will vigorously push economic cooperation with Russia when Russian President Boris Yeltsin visits Seoul on Sept. 16-18, the government said Tuesday.

It is likely to launch a joint economic cooperation committee and resume its loans to Russia in the near future. The loans were halted by differences over repayment guarantees.

Korea will try to finalize systematic devices such as an accord on avoidance of double taxation and a customs cooperation agreement so it can push ahead with its assistance program.

The government will try to get Korean businesses to actively participate in Russian projects to convert military equipment manufacturers to consumer goods businesses in 29 sectors laid out by the Russians, while speeding up natural resources development programs in Siberia.

Economic cooperation between the two countries has made little progress since August 1991, when the Soviet Union was engulfed in political turmoil and a coup d'etat was attempted.

Formation of a joint economic cooperation committee, agreed on between the two governments in January last year, has made little headway because of the collapse of the Soviet Union and ensuing political instability.

The two countries are to have a series of meetings, including one between Deputy Prime Minister Choe Kak-kyu and his Russian counterpart, Aleksandr Shokhin, to launch the committee.

The joint committee will meet once a year, rotating between Moscow and Seoul. The first meeting is likely to be in Moscow next year.

Working-level discussions on a repayment guarantee and payment of interest in connection with resumption of a 3 billion-dollar economic cooperation loan to Russia will be completed and the loan resumed after the visit. The loan has been on hold since last December.

The government said it would resume authorization of tied loans as early as next month as working-level discussions will have been completed.

Russia recently promised to pay overdue interest amounting to 29.06 million dollars, which may have a positive impact on the resumption.

The Seoul government has authorized 470 million dollars of tied loans out of 800 million dollars earmarked for last year, and the remaining 330 million dollars is expected to be offered this year.

It is planning to extend another 700 million-dollar tied loan this year after discussing with Russian officials the items to be traded with it.

Under the plan, South Korean firms are to actively participate in Russian efforts to convert military equipment manufacturers to civilian industries and the Seoul government is planning to facilitate joint ventures in promising fields.

Russian projects include switching the output of machinery, sophisticated machinery and avionics companies from military to civilian use.

It addition, Korea is to go ahead with a variety of projects, including the development of natural gas deposits in the Russian Republic of Sakha (formerly Yakutsk), discussed between the two sides and to expand cooperation in science, fishing and avionics.

The government has already signed agreements on trade, investment guarantee, aviation and fishing with Russia.

The two countries will also sign agreements on double taxation avoidance and customs cooperation during Yeltsin's Visit.

ROK, Russia Agree to Joint Survey of Gas Field

SK0709015292 Seoul YONHAP in English 0109 GMT 7 Sep 92

[Text] Seoul, Sept. 7 (YONHAP)—South Korea and Russia will conduct a feasibility study on extracting 10 million tons of gas a year in the Sakha (Yakutsk) Republic and building a gas pipeline linking the Russian Far East with the two Koreas, Energy and Resources minister Chin Nyom said Sunday [5 September].

The feasibility study would take one year, Chin told reporters at Seoul's Kimpo International Airport on his return from a four-day trip to Russia. Gas deposits in Sakha are estimated at 1 trillion cubic meters.

The study would be carried out by a Korean consortium comprising nine companies and a state consortium shared by the Russian Federation and Sakha Autonomous Republic.

Chin said the two countries signed an agreement on the establishment of consortia for the feasibility study Saturday and that the accord would take force during Russian President Boris Yeltsin's visit to Korea later this month.

Chin said gas deposits in Sakha would be the main source of gas for Korea in the 2000s. The deposits are said to be the largest in the world outside Alaska.

Government Urges Taiwan To Open Office in Seoul

SK0609072092 Seoul YONHAP in English 0652 GMT 6 Sep 92

[Text] Seoul, Sept. 6 (YONHAP)—South Korea will propose Taiwan set up a non-governmental representative office in Seoul when a high-level private delegation visits Taipei Tuesday, a government source said Sunday.

If Taiwan accepts the offer, the office, tentatively named as the Taipei representative, will be given a wider range of diplomatic privileges and immunities, including inviolable right, pouch and code communications, the official said.

The official added that the office would be provided with as much treatment as the Chinese representive had been granted before the Sino-Korean restoration of diplomatic relations Aug. 24 and "China has already consented to the plan."

The mission will also negotiate the establishment of a South Korean office in Taipei.

The Taiwanese representation will be patterned after its ties with Saudi Arabia, Singapore and Indonesia, the source said.

North Introduces New Legislation for Investments

SK0409094192 Seoul YONHAP in English 0708 GMT 4 Sep 92

[By Kim Sun-han]

[Text] Seoul, Sept. 4 (YONHAP)—Rigidly communist North Korea is testing the capitalist waters with a law allowing 100-percent foreign investment in industrial facilities.

North Korea confirmed that it had introduced the law at the seventh meeting of the South-North exchanges and cooperation subcommittee on Thursday. It said the law was awaiting ratification by the Supreme People's Assembly.

North Korean delegates to the meeting said the law would apply only to the Najin-Sonbong free trade and economic zone in the northeast of the country.

The legislation had been expected for several years and North Korea expressed on numerous occasions its intention of altering the joint venture law written in 1984 to attract foreign investment and improve its economy.

In an international conference April 28 to May 2 on development around the Tumen River on its border with China and Russia, North Korea expressed its intention to attract foreign investment and revealed the name of the law.

Dr. Ko Il-tong, a research fellow at the Korea Development Institute (KDI) and a delegate to the conference, quotes Deputy Premier Kim Tal-hyon and Kim Chong-u, chairman of the external economy and cooperation committee, as saying that their country was legislating a law for foreign firms and would announce it by the end of the year.

Working-level officials, including Kim Yong-sul, deputy director of the general bureau of joint ventures, also disclosed the outline of the legislation and said it would apply to South Korean companies as well, Ko says.

In addition, the officials said, North Korea would introduce laws on investment, contracts and revenues, implying that it had begun laying the legal groundwork to lure foreign investment.

North Korea will pass or modify laws and begin building infrastructure around the Najin-Sonbong area in January 1993, according to the North Korean schedule.

The contents of the new law are not known, but the biggest change from the current joint venture law appears to be the recognition of a "free contract" principle in supply and demand of laborers, observers here say.

Under the current law, foreign companies have little say in employment, but the new law will give them a freer hand, they say.

Currently, foreign companies must contract with the North Korean Government for workers, who are paid by the government.

"I was told by a highly placed North Korean official that the government will not send hard-core communists to the Najin-Sonbong free trade and economic zone, which I think puts economic rational before political considerations," Ko says.

"I have a strong hunch that the North Korean Government will introduce a free contract system and incentives so that it can do away with the absurdity in supply and demand of labor under the present joint venture law," Ko forecasts.

At the moment, North Korea has been shunned by foreign firms because they cannot cope with the elastic system of firing or giving incentives to employees in accordance with their working conditions.

Even so, some observers are skeptical of North Korea's ability to attract South Korean businesses to the free trade zone even with this step toward a capitalist economic mechanism.

They note that there still remain some hard-to-tackle issues, including the North Korean nuclear development program, in light of South Korea's experiences with North Korea.

Poor social infrastructure, underdeveloped communications and a lack of transportation may make foreigners reluctant to invest there.

The shortcomings aside, it remains to be seen how North Korea copes with the first gusts of capitalistic winds with its opening to the outside world.

The opening may affect North Koreans in accordance with their numerous exchanges of personnel and communications, the observers note.

More attention is focused now on how North Korea protects its political system from the capitalistic winds than on whether the law is a success, the observers add.

National Assembly To Convene Session 14 Sep

SK0709085392 Seoul YONHAP in English 0614 GMT 7 Sep 92

[Text] Seoul, Sept. 7 (YONHAP)—The National Assembly will convene a regular session Sept. 14 to Dec. 22, parliamentary speaker Pak Chun-kyu announced Monday.

Prospects are not encouraging as the ruling and opposition parties disgree over the local elections, the biggest barrier to normalization of the Assembly.

The ruling Democratic Liberal Party is determined to form parliamentary committees and operate the National Assembly on its own if the opposition parties refuse to attend the session.

The main opposition Democratic Party and minor Unification National Party [officially renamed United People's Party] hold the position that they will attend only the opening ceremony unless elections of provincial governors and city mayors are called for this year.

The heads of the three parties will meet Sept. 14 just before the Assembly opens to discuss the local election issue and operation of the session.

Some political analysts believe the Assembly will be adrift for some time if the heads of the three parties fail to reach an agreement on the election issue, and will bring about a failure in such schemes as parliamentary inspection of the administration and deliberation on the budget.

The ruling party is to cut the regular session from 100 days to around 60 days, and the two opposition parties see a short session as inevitable.

The three parties have agreed their floor leaders will meet before the party heads do to discuss ways to normalize the Assembly, which has been wallowing in murk for three months.

Burma

New Reports Surface of Khun Sa Resignation

BK0809041092 Bangkok THE NATION in English 8 Sep 92 p A2

[Text] Chiang Mai—Thai intelligence officials are checking fresh reports that heroin warlord Khun Sa has resigned "from all posts" he held in Shan state, a senior border patrol police officer said yesterday.

The Thai officials acquired two statements, one of which is apparently signed by Khun Sa, stating he is no longer the political and military leader of the Shan state.

Whether Khun Sa really has given up all his power is a major puzzle to the outside world. Analysts have described news of his "resignation" as a charade staged to clean up his image. However, some observers believe the drug kingpin may really have succumbed to pressure from his own people and stepped down.

Khun Sa, 59, has been leader of the Shan State Restoration Council and its Mong Tai Army which claims to have 22,000 soldiers. He was indicted by the United States in 1990 for alleged heroin trafficking and became under increased threat of arrest following a US Supreme Court ruling allowing the kidnapping of criminal suspects in foreign countries.

The border patrol officer, Pol Col Kunlachet Singhara Na Ayutthaya, said Thai intelligence authorities were checking whether Khun Sa's alleged signature on one statement was genuine.

Military Readies New Offensive Against Karens

BK0609041392 Bangkok BANGKOK POST in English 6 Sep 92 p 2

[Text] Ethnic insurgents in Burma claim Rangoon's military regime is preparing a new offensive against their jungle headquarters near the Thai border later this month.

Burmese troops are repairing roads and bridges all along their communications routes in preparation for their summer offensive against Manerplaw, the Karen National Union [KNU] said in a statement from Manerplaw, 190 km northeast of Rangoon.

The government launched an offensive in January aimed at capturing Manerplaw, which is also the base for civilian pro-democracy groups opposed to the Rangoon regime.

The regime, the State Law and Order Restoration Council, was close to capturing Manerplaw when it announced in April it had suspended the operation as part of a campaign apparently aimed at improving its international image.

The KNU said it has information that a new SLORC offensive against Manerplaw will start on September 28.

"Fresh troops from the No. 22 Light Infantry Division are replacing troops at various fronts facing Manerplaw to initiate the offensive," the KNU statement said.

It also said troops shelled and fired on KNU positions at Mukhalobu and Sawtayakyo, both about 120 km northwest of Manerplaw, on Wednesday and Thursday.

Karen guerrillas on Thursday recaptured a SLORC base at Huay Puang Lao, about 220 km north of Manerplaw, after three days of heavy fighting.

A clandestine radio station run by Burma's alternative government also reported on Thursday that Burmese troops had launched operations against Karen positions near Papun, about 70 km north of Manerplaw.

The KNU has been fighting successive governments in Rangoon for more than 40 years to seek independence and safeguard Karen culture.

Karen Guerrillas Overrun Three Army Bases

BK0309120692 Hong Kong AFP in English 1126 GMT 3 Sep 92

[Text] Bangkok, Sept 3 (AFP)—Karen guerrillas have overrun three Burmese army camps in eastern Burma, guerrilla sources and Thai border authorities said Thursday. The officials, contacted by telephone in Thailand's northwestern province of Mae Hong Son, said about 400 guerrillas belonging to the Karen National Union (KNU) on Tuesday launched a pre-dawn attack against a Burmese army camp at Huay Pong Lao in Karen state.

"The supprise attack drove the Burmese defenders from Huay Pong Lao camp as well as from two other outposts, Sameako North and Sameko South. The fighting, which took place two kilometres (1.2 miles) from the Thai border, had left 17 Burmese soldiers killed and two Karen guerrillas wounded," sources said.

The Karens reportedly captured four Burmese soldiers including a captain, and a number of weapons.

Confiscated Drugs Handed Over to Authorities

BK0609101692 Rangoon Radio Burma in Burmese 1330 GMT 5 Sep 92

[Text] A ceremony was held at the Thanlwin House in Kunlong on the morning of 1 September to hand over black opium, heroin, and chemicals and equipment used in refining opium confiscated from an opium refinery in the special region No.1 of the Northern Shan State by the Kokang leaders to concerned authorities.

Present were Major General Maung Thint, commander of the Northeast Military Command, and responsible personnel; personnel concerned from the Lashio Special Narcotic Squad; and Kokang leaders.

It has been learned that at the ceremony Kokang leader U Yan Moe Liang handed over 18.546 Kgs of heroin;

20.495 Kgs of yellow heroin grade-3 powder; 17.325 Kgs of brown opium powder; 18.223 Kgs of opium refuse; 100 grams of (?ether); 32 gallons of mentholated spirit; eight gallons of chloroform; 12 gallons of acetate anhydrate; four gallons of hydrochloric acid, and 21 assorted pieces of opium refining equipment to Police Superintendent Aung Htut of Lashio Special Narcotic Squad.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Comments on UN Restructuring

BK0709070092 Kuala Lumpur BERNAMA in English 0329 GMT 7 Sep 92

[Text] Jakarta, Sept 7 (OANA-BERNAMA)—Malaysia is convinced the democratisation of the United Nations can come about although it may be difficult, Prime Minister Dr. Mahathir Mohamed said Sunday.

Even citizens of countries having veto power in the world body want this change in the United Nations and did not back their governments' opposition to it, he said.

"It looks a difficult task at this time but we must campaign, even in countries which have the veto power," he told Malaysian reporters before returning to Kuala Lumpur after attending the 10th summit of the Nonaligned Movement (NAM) here.

Last week, UN Secretary-General Butrus Butrus Ghali, who had also attended the summit, said bringing about such a change was near impossible because of the opposition from the five permanent members of the UN Security Council which held the veto power—Britain, China, France, Russia, and the United States.

"Our focus is on near impossible which means it is possible," said Dr. Mahathir who had urged the United Nations to change the composition of the Security Council which he felt was meaningless.

The leaders of NAM, at their summit here, called for a restructuring and democratisation of the United Nations, particularly a review of the veto power of the permanent members of the Security Council.

Dr. Mahathir said he was convinced that the superpowers would inevitably have to bow to world opinion for a change.

Deputy Minister on Offer of Asylum to Bosnians

BK0809093492 Kuala Lumpur Voice of Malaysia in English 0800 GMT 8 Sep 92

[Text] Malaysia's offer of temporary asylum to Bosnians fleeing from the atrocities committed by Serbian forces in the former Yugoslav republic is meant to show political support for them. Deputy Foreign Minister Datuk Abdullah Fadzil Che Wan said it is a good humanitarian endeavor to give Bosnians the courage and support to continue fighting against the atrocities by the Serbian forces. Malaysia wants Bosnians to know that they can depend on us in times of trouble even though this country is very far from them. He told reporters this after Croatia's Deputy Minister of International Trade and Economy Andrija Jakobcevic called on him at his office in Kuala Lumpur.

Jakobcevic and his two-member delegation are on a two-day official visit—the first by a Croatian Government official since Malaysia extended diplomatic recognition to the new independent former Yugoslav state on 2 May this year.

Datuk Abdullah Fadzil said Prime Minister Datuk Sri Dr. Mahathir's statement on Malaysia's offer had warmed the hearts of Bosnians. Datuk Sri Dr. Mahathir has said that Bosnians could seek temporary asylum in Malaysia until their country regains peace. He also hoped that Malaysians would come forward to provide shelter and food to assist the Bosnians who wish to stay in this country. The Foreign Ministry will notify Bosnian authorities of Malaysia's offer this week or early next week.

Japanese Trade Minister Arrives for Conference

OW0509134892 Tokyo KYODO in English 1322 GMT 5 Sep 92

[Text] Kuala Lumpur, Sept. 5 KYODO—Japan's International Trade and Industry Minister Kozo Watanabe arrived in Malaysia on Saturday on a four-day visit which is expected to focus on bilateral trade and the proposed East Asia Economic Caucus (EAEC).

Watanabe is scheduled to meet Malaysian Trade and Industry Minister Rafidah Aziz on Monday, and Prime Minister Mahathir Mohamed, who suggested the EAEC in late 1990, on Tuesday, a Japanese Embassy spokesman said.

Japan has yet to take a public stand on the EAEC, wary of upsetting the United States which strongly opposes the group as a trading bloc.

Watanabe, who leads an eight-member delegation, is in Malaysia as part of his swing through three southeast Asian countries prior to attending next week's Asia-Pacific Economic Cooperation (APEC) meeting in Bangkok.

Japan is among Malaysia's major trading partners and is the second largest foreign investor in Malaysia. Japan lost its long- held top spot in Malaysia to Taiwan two years ago.

Watanabe flew to Malaysia from the Philippines and will leave for Thailand on Tuesday.

Singapore

Prime Minister on ASEAN, Spratly Issues

BK0309143892 Singapore THE STRAITS TIMES in English 3 Sep 92 p 12

[By Paul Jacob and Salim Osman]

[Text] Jakarta—Singapore Prime Minister Goh Chok Tong last night said occasional frictions among ASEAN nations should not hamper them from working together for the common good. Rather than dwell on their differences, they should look into areas of co-operation, he said in an interview with the Rajawali Citra Televisi Indonesia (RCTI), one of two private television stations in the country.

He said that it was inevitable that ASEAN countries should have disputes over issues such as trade, economic development and borders. But they must ensure that such frictions "would not flare up into big tensions, or worse still, into conflict between the two countries".

"I believe we start with a common objective that we are all living in the same neighbourhood that whatever happens to us, we affect one another, so that there's shared interest in a common destiny," said Mr. Goh who is here for the Non-Aligned summit.

Once this was understood he added, ASEAN countries should explore areas where they could work together for mutual benefit.

"That means the overall picture of co-operation is more important than the occasional friction which may trouble the big picture," he said.

Mr. Goh, who described Indonesia as "a close friend of Singapore", also said that the ASEAN Free Trade Area (AFTA) was important to the group and that member countries should push for its implementation. By working together in AFTA, ASEAN countries would be complementing efforts by the NAM member countries to respond to the formation of the North American Free Trade Area and the emergence of a Single European market.

He said that it was important that they worked out common positions to ensure their continued access to the two economic blocs.

Referring to the dispute over the Spratly islands in the South China Sea, he said that it would destabilise the region if parties to the conflict resorted to "the use of arms". However, he said, he believed the claimants to the islands were sensible and would try to resolve the issue peacefully.

"I don't believe, at this stage, the parties involved want to use force to resolve the conflict," he said in reply to a question on the Spratlys. Mr. Goh said that personally, he would not want the NAM summit to focus too much on the islands.

Prime Minister Meets Various Leaders in Jakarta

BK0609095092 Singapore THE STRAITS TIMES in English 5 Sep 92 p 19

[Text] Jakarta—Prime Minister Goh Chok Tong held a series of substantive bilateral discussions yesterday which focussed on strengthening Singapore's trade, economic, social and cultural relations with countries of the South.

As was the case for most of this week, the meetings provided him with both an opportunity to renew ties with leaders he has met previously as well as to establish new contacts —such as with Vietnamese President Vo Chi Cong, Iranian President 'Ali Akbar Hashemi-Rafsanjani and Indian Prime Minister P.V. Narasimha Rao.

No details were immediately available on the talks between Mr. Goh and the Iranian leader, which rounded off the prime minister's full day of nine bilateral meetings on the sidelines of the week-long Non-Aligned summit, which ends tomorrow.

The meeting with President Cong reflected the increasing level of conatcts taking place between Singapore and Hanoi.

Both men noted the increasing volume of trade and investment and discussed how it could be improved further.

Close economic, trade and tourism relations was also the goal of Zimbabwean President Robert Mugabe, who first met Mr. Goh in Harare last year during the Commonwealth heads of government meeting.

Mr. Goh invited Zimbabwe's trade and tourism ministers to visit the Republic to explore how this could be achieved.

He also suggested that Zimbabwe consider using Singapore as a staging post for its entry into the region as well as to make itself better known to international businesses that were already based in the Republic—an offer he has made more than once during meetings with various leaders here.

During talks with Mr. Rao, both men discussed the possibilities for increased cooperation, including in the cultural area as India could provide artifacts and a regular display of Indian museum pieces in Singapore.

A spokesman for Mr. Rao said that the Indian leader welcomed the idea and that both leaders also reviewed trade and investment and other areas of economic cooperation, including the development of an industrial corridor in South India.

Both leaders believed the idea should be moved forward.

Mr. Walter Sisulu, deputy president of the African National Congress said that he discussed cooperation and possible assistance that countries like South Africa

could could get from Singapore in areas such as economic development and training.

During Mr. Goh's talks with Botswanan President Ketumile Masire, the African leader said that they reviewed co-operation in the field of manpower development which began last year.

They discussed the possibility of sending Singapore science teachers to Botswana and the provision of Singapore scholarships in teacher training for Botswanans.

Yesterday, Mr. Goh also met Nepalese Prime Minister Girija Prasad Koirala, Swaziland Prime Minister Obed Mfanyana Dlamini, and Ugandan Vice-President S.D.M. Kisekka.

Cambodia

Sihanouk: KR May Be Excluded From Elections

BK0809095892 Hong Kong AFP in English 0947 GMT 8 Sep 92

[Text] Bangkok, Sept 8 (AFP)—Cambodia's Prince Norodom Sihanouk said Tuesday that the Khmer Rouge [KR] guerrilla faction might have to be excluded from next year's elections if current efforts to bring them back into the peace process fail. But Prince Sihanouk said that even if the Khmer Rouge did not participate in the elections they would retain membership of the country's Supreme National Council (SNC), an interim reconciliation body, and could rejoin the political mainstream any time they chose.

The prince, speaking on his arrival here from Jakarta where he attended the summit of the Non-Aligned Movement, noted that the Khmer Rouge had been respecting the country's ceasefire for the past two months.

"I prefer to let them live their own lives but in the limit of their zones, since they don't violate the ceasefire agreement," the prince said. "We can rehabilitate the people and reconstruct the country in the rest of Cambodia, that means 85 percent of the national territory, with 90 percent of the population," he said.

"About the elections, this is the only solution left to us, to organise the elections for the 90 percent of the population and 85 percent of the territory, and we put aside the Khmer Rouge," the prince said.

The Khmer Rouge have been refusing to join the crucial disarmament phase of the United Nations peace process in Cambodia, leading to fears that the ambitious plan, culminating in U.N.- supervised elections, might collapse. But he stressed that even if the group did not participate in the election their exclusion from the Cambodian political process would not necessarily be permanent.

"After the election we will continue to open our door to tell the Khmer Rouge that in case they would like to join the others they are free to do so," he said.

Later Tuesday the prince was scheduled to meet Thai Prime Minister Anan Panyarachun for dinner. Prince Sihanouk, who is chairman of the SNC, was scheduled to return to Cambodia on Thursday for an SNC meeting in the northern city of Siem Reap. The prince said he would visit the Khmer Rouge headquarters in Pailin, western Cambodia, on Friday and Saturday.

Next week he is to visit areas controlled by the two small non-communist guerrilla factions in the northwest of the country.

Sihanouk on KR Compliance, Election Participation

BK0609082592 Jakarta ANTARA in English 0737 GMT 6 Sep 92

[Text] Jakarta, Sept 6 (OANA/ANTARA)—President of Supreme National Council (SNC) of Cambodia, Prince Norodom Sihanouk has said that the Khmer Rouge will not be allowed to participate in the next general election if the faction continues to ignore the Paris agreement.

If Khmer Rouge wants to participate in the next general election, they will have to conform with the Paris agreement which requires them to disarm themselves, Sihanouk told the press at the Jakarta Conventional Centre on Sunday.

Norodom Sihanouk is in Jakarta attending the tenth Non-Aligned Movement summit which is being held from September 1 to 6.

Prince Sihanouk called on the Khmer Rouge to follow the lead of other factions and to disarm themselves. If the Khmer Rouge disarmed themselves, then all parties can participate in the next general election, he added.

The Paris agreement was signed by all factions in Cambodia, namely the Phnom Penh government headed by Hun Sen, the Kampuchea People National Liberation Front (KPNLF) headed by Son Sann, the Sihanoukist group headed by Prince Sihanouk and the Khmer Rouge headed by Khieu Samphan.

In the agreement all factions in Cambodia agreed to disarm themselves and then participate in general election under supervision of the United Nations Transition Administration in Cambodia (UNTAC).

When asked whether the Paris agreement needs to be rewritten, Sihanouk said, we will not rewrite the Paris agreement that was signed by all Cambodian factions on October 23, 1991, said Norodom Sihanouk.

Norodom Sihanouk also said that he would meet President Suharto to discuss about the Cambodian problem. I will speak with him about developments in my country, but I do not know when because, President Suharto is busy at the moment, he added.

Sihanouk Cites Khmer Rouge Acceptance Conditions

BK0509065692 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 5 Aug 92

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC], said that now the only problem in the Cambodian political settlement was the refusal by the Party of Democratic Kampuchea [PDK] to implement Phase Two of the 23 October 1991 UN peace plan concerning the disarmament and demobilization of troops of all the Cambodian parties. The prince issued this statement to reporters in Jakarta, Indonesia yesterday.

HRH Prince Norodom Sihanouk said the PDK was rejecting the second phase of the UN peace plan unless the following three conditions were implemented:

1. Illegal Vietnamese nationals currently living in Cambodia must leave the country;

2. Dismantling the structures of the government and National Assembly in Phnom Penh; and

3. Abolition of all agreements concluded by the Phnom Penh regime and the Hanoi Vietnamese in the 1980s, since the PDK has claimed that the State of Cambodia, via those pacts, has given away part of the Cambodian territory to Vietnam.

The prince added that the PDK would execute the second phase of the cease-fire agreement in Cambodia only if the three conditions were fulfilled.

In the meantime, Cambodian officials said HRH Prince Norodom Sihanouk was striving to consolidate his efforts to assume the leadership in the course of seeking peace in Cambodia.

KPNLF Statement on Vietnamization Rejected

BK0509133992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Sep 92

[PRACHEACHON editorial: "Dangerous Game"—date not given]

[Text] Mr. Son Sann's Khmer People's National Liberation Front [KPNLF] recently issued a statement on the so-called continued Vietnamization of Cambodia. What is notably serious and immoral is that the KPNLF carried out a propaganda campaign groundlessly charging that the Vietnamization process was conducted in Cambodia through marriages between 1.5 million Vietnamese and a great many Cambodian widows. Those widows, who are victims of the polpotist regime of genocide, were married to the Vietnamese by persuasion, force, or necessity to earn a living. The propaganda claimed that in 25 years, these couples will have 6 million half-breed children.

In addition, the statement also demanded that the Supreme National Council [SNC] and UNTAC [UN Transitional Authority in Cambodia] reexamine their stances so as to avoid mistakenly endorsing and legitimizing the process of Vietnamization in Cambodia.

Conspicuously, the KPNLF statement is aimed at serving the faction's well-planned scheme of sabotaging the peace and national reunification process, thereby protracting war and destroying the Paris accord. This is in agreement with the activities of the Khmer Rouge, which has stubbornly refused to cooperate, has refused to allow UNTAC to supervise the areas under its control, and has refused to join the implementation of the second phase of the cease-fire. While the State of Cambodia [SOC] is correctly applying the accord, the Khmer Rouge is painstakingly attacking and shelling the people's villages and kidnapping cadres and people so as to obtain ransom or rice—the victims will be executed if their demands are not met.

The Khmer Rouge have also employed military measures to systematically massacre families of the Vietnamese nationals, such as in Banteay Meas District. As such, the KPNLF statement constitutes an encouragement to the Khmer Rouge and an attempt to create difficulties in the process of applying the Paris peace accord. Thirteen years before the Paris accord, they raised the issue of Vietnamization in Cambodia for the purpose of discrediting and deriding the SOC as being so-called Vietnamese puppets. However, the evil propaganda could never prevail over the truth concerning the SOC's efforts to shoulder the responsibility for restoring and rebuilding the country and to prevent the threat of the recurrence of the Pol Pot genocidal regime.

After the signing of the Paris accord, the same issue was raised by the other Cambodian factions as an important topic against the SOC side although His Royal Highness [HRH] Prince Norodom Sihanouk—head of state, father of the Cambodian nation, and SNC chairman—and His Excellency [H.E.] Yasushi Akashi have, on several occasions, stated that the issue is irrelevant, that those factions have to understand the vital importance of the process of seeking peace and national reunification and reconciliation, and that all should join forces to successfully maintain security, social stability, and order; promote the people's living conditions; and protect the people's lives so as to ensure the effective implementation of the Paris accord.

H.E. Akashi has clearly set out the issue of Vietnamese troops and nationals which was raised in the KPNLF statement. He has called on officials of the four Cambodian parties in power to do their best in order to create a good atmosphere in the areas under their control but not to carry out any activities that could create confusion and racism. He has also appealed to the entire people to live in peace with the neighboring countries' people and to decisively oppose any activities that could provoke an uprising against foreign workers or nationals.

Seriously, the statement demanded that the SNC and UNTAC meticulously reexamine their stances so as to avoid erroneously endorsing or legitimizing the Vietnamization process in Cambodia. This action constitutes contempt for HRH Prince Norodom Sihanouk, who is SNC chairman trusted by the country and people as the core of national reunification and reconciliation, and for the competence of UNTAC whose peacekeeping operation in Cambodia is joined by a great many countries.

We vehemently reject the KPNLF statement, which aims at distorting and ruining the accord resulting in protracted war and poverty and at allowing the Khmer Rouge faction to accumulate its cash from the sale of land, gems, and logs. This is all part of its strategy to wear away the status quo like rust in order to take revenge and commit a second genocide. The statement is a dangerous provocation that pollutes the good climate for achieving the peace plan and national reunification in Cambodia. We demand that the KPNLF put an immediate halt to its contempt for Cambodian women whose roles are promoted and whose social activities are encouraged by the Cambodian People's Party and the SOC, thus making them worthy citizens of a civilized country.

We thank UNTAC and the international community which have always maintained a neutral stance and have upheld the principles of justice and truth. We believe that, in the end, the considerable mission of the United Nations will succeed.

Ranariddh Seeks Indonesian, French Help for Plan

BK0409034792 Bangkok THE NATION in English 4 Sep 92 p A2

[Text] The two chairmen of the Paris conference on Cambodia should be brought in to end the impasse over the peace process, Prince Norodom Ranariddh said yesterday. Ranariddh, who accompanied his father here for the Nonaligned Movement summit meeting, said Indonesia and France should be asked to help break the deadlock in the process agreed to under the United Nations-brokered peace plan.

While he welcomed all initiatives to enforce peace in Cambodia, there was a need for the co-chairmen to coordinate any diplomatic efforts in the peace process.

Thailand and Japan recently initiated a joint plan to strengthen the Supreme National Council (SNC) by setting up an "administrative consultative body" to coordinate work between the Cambodian factions and the SNC.

The Thai-Japanese plan was integrated into a Khmer Rouge proposal which was rejected by the Phnom Penh government.

Phnom Penh said it would not accept any plan that was not consistent with the UN peace plan.

Khmer Rouge leader Khieu Samphan is due to meet officials from Thailand and Japan soon to further discuss the proposal.

Meanwhile, Prince Norodom Sihanouk told the summit that he was not bitter about being left out of the movement since he signed the first non-aligned document in 1956 in Brioni, Yugoslavia.

At the Bandung Conference in April 1955, which was the prelude to the first non-aligned summit in Yugoslavia the next year, Sihanouk affirmed Cambodia's pledge of neutrality and of not being aligned to any superpower.

However, at the height of the Vietnam War in 1970, Gen Lon Nol staged a coup against Sihanouk and Cambodia became closely aligned with the United States, putting an end to the nation's neutral status.

After the coup, Sihanouk was in exile in China and North Korea.

"I do not feel in any way bitter about having been on the sidelines of our movement for so many years," said Sihanouk.

"I am now quite simply happy to reintegrate into our considerably larger and stronger family."

Sihanouk To Visit Faction-Controlled Areas

BK0609081892 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 6 Sep 92

[Text] His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC] will travel to Thailand on 8 September after concluding his visit to Indonesia, where he attended the Nonaligned Movement's summit. During his visit to Thailand, HRH Prince Norodom Sihanouk will also unofficially visit the areas occupied by the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party in Oddar Meanchey Province. Then he will visit the regions administered by the Khmer People's National Liberation Front led by His Excellency Son Sann, who is also chairman of the Buddhist Liberal Democratic Party, and the areas controlled by the Party of Democratic Kampuchea of Mr. Khieu Samphan.

HRH Prince Norodom Sihanouk will return to Phnom Penh on 21 September.

Labor, Welfare Minister Dies 1 Sep

BK0409094092 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 4 Sep 92

[Text] The Cambodian People's Party [CPP] Central Committee, the government of the State of Cambodia [SOC], and the bereaved family wish to mournfully announce that Mr. Do Sohan, member of the CPP Central Committee and labor and welfare minister, passed away at 0530 on 1 September 1992 due to illness.

The demise of Mr. Do Sohan constitutes a great loss for the CPP, the government, and our people. The government has set up a committee to organize his funeral according to our national tradition.

The CPP Central Committee, the SOC government, and the Cambodian people would like to extend their most saddened condolences to the bereaved family.

Indonesia

Editorial Explores Effects of NAFTA

BK0409134192 Jakarta SUARA PEMBARUAN in Indonesian 21 Aug 92 p 2

[Editorial: "NAFTA, AFTA, and Indonesia"]

[Text] U.S. President George Bush announced in Washington on 12 August 1992 the establishment of the North American Free Trade Agreement [NAFTA] covering the United States, Canada, and Mexico. The establishment of the regional trading bloc appeared to have been based on the fact that the superpower was facing a serious economic problem in the post-Cold War era.

Perhaps the establishment of the NAFTA also served as a U.S. response to the EC in addition to countering the continued influx of goods from Japan and other countries into the country's market. The U.S. excessive expenditure during the Cold War is partly responsible for the country's declining economic role.

Knowingly or unknowingly, the establishment of the North American regional economic bloc has caused concern and anxiety in developing countries not only in the Asia-Pacific region but also in neighboring developing countries in Latin America. The anxiety is obviously attributed to implications the agreement will have on the export of commodities of developing countries to the United States as the main market.

Japan is reported to have even asked the GATT to review the agreement because it is considered against the world's trade regulations. The agreement, which will reportedly create the world's largest free trading bloc with 360 million consumers and an annual trade transaction of $6.4 trillion, has also generated antipathy in South Korea, the Philippines, Thailand, and China.

In this regard, we consider reasonable the Philippines' desire to accelerate the establishment of the ASEAN Free Trade Area [AFTA] initiated during the fourth ASEAN summit in Singapore in January 1992. In the meantime, Taiwan has expressed its intention to enhance cooperation with Hong Kong and China in response to the establishment of the NAFTA.

Now, what is Indonesia's attitude toward the NAFTA? As an ASEAN member country, Indonesia will automatically belong to the AFTA—a Southeast Asian free trading bloc which, among other things, aims to develop intra-ASEAN economic cooperation through market cooperation. This forum will be effective enough to face economic blocs outside the region. Intra-ASEAN trade and investments, which are currently negligible, are expected to grow through the forum.

However, Indonesia will obviously have to further enhance the competitiveness of its products in the intra-ASEAN free market. This will be important because we still have noted that some of our products are less competitive in certain markets in terms of their quality and prices than similar products from other ASEAN countries.

The circumstances of the NAFTA will be definitely more complex. Apart from the long distance [between North America and the Asia- Pacific region], Mexico reportedly has agricultural commodities which are also produced by Indonesia. Moreover, the Latin American country has established economic cooperation with the United States, one of the important markets for Indonesian commodities.

The NAFTA can be regarded both as a threat and not a threat to Indonesia's commodities. It can pose a threat to us because Mexico will have a major opportunity to flood the free market with products which are also produced by Indonesia and we will also face other Asian competitors such as China and fellow ASEAN members. Indeed, we should not be panicked over such as situation. The most important thing for us will be how to make common efforts to enhance the efficiency of the whole production process to ensure that all products will be highly competitive. Of no less importance will be how to rejuvenate and improve the business climate at home to ensure dynamic business activities.

If we enhance the efficiency of the whole production process and create a dynamic business climate at home, it is very likely that there will be a greater flow of our export commodities to the U.S. market via Canada or Mexico. We hope that the NAFTA will not become a trading bloc closed to products outside the bloc. Moreover, the three countries should not be so excessively protectionist that they restrict the entry of products from other countries into the NAFTA market.

Laos

U.S. Envoy Meets With Vientiane Mayor

BK0509123692 Vientiane KPL in English 0924 GMT 5 Sep 92

[Text] Vientiane, Sept. 5 (KPL)—Mr. Oudom Khatthigna, party secretary of the Vientiane Prefecture and Mayor of Vientiane City, yesterday received Mr. Charles B. Salmon who has recently been promoted to the rank of ambassador extraordinary and plenipotentiary of the United States to Lao PDR [People's Democratic Republic].

At the meeting Mr. Oudom Khatthi-gna congratulated the ambassador for his appointment and hoped that during Mr. Salmon's diplomatic post the friendly relations between the two countries would be further prospered for the benefits of Lao and Americans.

Anniversary of Ties With SRV Celebrated

BK0709110492 Vientiane KPL in English 0906 GMT 7 Sep 92

[Text] Vientiane, Sept 7 (KPL)—Thongloun Sisoulit, acting minister of foreign affairs, on behalf of the Lao Government and the Ministry of Foreign Affairs, hosted here on September 5 a reception on the occasion of the 30th anniversary of the establishment of the Lao-Vietnamese diplomatic ties, (5 September 1962-5 September 1992).

Attending the reception were senior officials of the Foreign Affairs Ministry, former Lao ambassadors to the Socialist Republic of Vietnam; Bui Van Thanh, Vietnamese charge d' affaires; and senior officials of the Vietnamese Embassy here.

At the reception, Thongloun Sisoulit and Bui Van Thanh pointed to the traditional special solidarity and all-round cooperation between the parties, governments, and people of Laos and Vietnam over the past 30 years.

They also highlighted the success of the cordial visits to Laos and Vietnam by the two countries' high-ranking leaders, Kaysone Phomvihan, president of the Lao People's Revolutionary Party, and Do Muoi, secretary general of the Communist Party of Vietnam and chairman of the Council of Ministers of Vietnam, representing a historic landmark in consolidating the relations, cooperation and assistance between the two counties.

Thongloun Sisoulit, representing the Lao Government, expressed profound gratitude to the party, government, and fraternal Vietnamese people for their great support to the national liberation in the past and the national defence and construction of the Lao people at present.

Foreign Minister Greets Counterpart

BK0509103392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Sep 92

[Text] Comrade Phoun Sipaseut, deputy prime minister and minister of foreign affairs, has sent a telegram to Comrade Nguyen Manh Cam, foreign affairs minister of the Socialist Republic of Vietnam [SRV], on the occasion of the 30th anniversary of the establishment of diplomatic relations between the Lao People's Democratic Republic [LPDR] and the SRV, dated 5 September. The telegram reads:

On the occasion of the 30th anniversary of the establishment of diplomatic relations between the LPDR and the SRV, on behalf of the LPDR Government, I would like to extend my best wishes and profound friendship to the government and fraternal people of Vietnam, as well as all comrades and cadres in the SRV Ministry of Foreign Affairs.

I am very delighted to see that, through the past 30 years, the relations of traditional friendship, special solidarity, and comprehensive cooperation between Laos and Vietnam have gradually been consolidated and developed incessantly. These have significantly contributed to victories in the tasks of building and defending the country of Laos.

In the new revolutionary period, the relations of friendship, special solidarity, and comprehensive cooperation between Laos and Vietnam have over every passing day been further attentively strengthened with a new quality. The governments of the two countries, just as their foreign affairs ministries, have always rendered support and assistance to each other and have also closely collaborated with each other in carrying out works in their foreign ministries. Such activities have helped to upgrade the status and roles of the two countries in the international arena, thus contributing to peace, stability, and cooperation in this region and in the world as a whole.

On behalf the government and the multiethnic Lao people, I would like to express my deep gratitude to the SRV party and government and fraternal Vietnamese people, which have provided great and invaluable support and assistance to our national liberation cause in the past and to the tasks of defending and building our nation at present. All of us will employ our utmost abilities to increase and improve the relations of friendship, special solidarity, and all-around cooperation between Laos and Vietnam in order that they will continue to grow and flourish even more.

On this glorious occasion, I wish the fraternal Vietnamese people to attain great successes in implementing various resolutions issued at the Seventh Congress of the Communist Party of Vietnam and to achieve victories in a" their activities to constantly move ahead firmly and efficiently.

SRV Foreign Minister Sends Greetings

BK0609051892 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 5 Sep 92

["Excerpt" of "congratulatory telegram" to Phoun Sipaseut, deputy prime minister and foreign minister of the Lao People's Democratic Republic—LPDR—from SRV Foreign Minister Nguyen Manh Cam "on the occasion of the 30th anniversary of the establishment of diplomatic relations between the LPDR and the SRV;" dated 5 September]

[Text] The establishment of diplomatic relations between Vietnam and Laos was an important historical event which marked a new development of relations of friendship, social solidarity, and all-round cooperation between the parties, the governments, and the peoples of

our two countries. It is a precious heritage and an extremely significant factor that ensured victories in the cause of struggling for independence and freedom in the past, as well as in the cause of national construction and defense at present of each of our countries.

We all are very pleased to see that such relations have been developed significantly and consistently and improved incessantly and efficiently over the past 30 years.

On this occasion, the party, the government, and the people of Vietnam would like to express our sincere gratitude for invaluable support and assistance that comrades, the party, the government, and the fraternal multiethnic people of Laos have rendered to the cause of revolution of all of us Vietnamese people.

In conformity with the instructions of President Ho Chi Minh, the Vietnam-Laos Friendship and Cooperation Treaty, and the agreements recently reached by party and government leaders of the two countries, Vietnamese people—along with the multiethnic Lao people—will defend, improve, and develop the relations of friendship, special solidarity, and all-round cooperation between Vietnam and Laos, for the sake of prosperity and happiness of the people in each country, as well as for peace, stability, cooperation, and development in Southeast Asia and the world.

Sincerely, I wish fraternal multiethnic Lao people under the correct leadership of the Lao People's Revolutionary Party [LPRP] headed by respected and beloved Comrade Kaysone Phomvihan to attain new and greater victories than ever before in implementing the resolutions of the fifth Congress of the LPRP and building Laos into a country of peace, independence, democracy, unity, and prosperity.

Kaysone Phomvihan Meets SRV's Vo Chi Cong

BK0509135892 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Sep 92

[Text] On 31 August in Jakarta, Vo Chi Cong, chairman of the Council of State of the Socialist Republic of Vietnam, received Kaysone Phomvihan, president of the Lao People's Democratic Republic in an atmosphere of friendship and intimacy.

During the meeting, the two leaders discussed the friendship between the two countries and coordination between the Vietanamese and Lao delegations during the 10th summit meeting of the Nonaligned Movement in order to guarantee and defend the various principles and objectives of the movement which had already been proposed in the agenda of the meeting.

Thongsing Thammavong Speaks on Assembly Elections

BK0609084992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 5 Sep 92

[Text] On 31 August, Thongsing Thammavong, Political Bureau member of the Party Central Committee and vice chairman of the national election committee, disseminated to provincial officials the resolutions of the Political Bureau on the elections to the Third National Assembly in Xieng Khouang and Houa Phan Provinces.

Thongsing Thammavong reiterated the importance of the elections of the Third National Assembly, stressing the main duties of members of the Third National Asssembly and the standards and qualifications of candidates in the elections. He also told cadres about the importance of the tasks to be carried out in preparation for the National Assembly to be held in the near future.

Philippines

House Speaker Calls For New Treaty With U.S.

HK0709044092 Manila THE CHRONICLE in English 7 Sep 92 p 1

[By Elizabeth Perez]

[Text] Speaker Jose de Venecia Jr. yesterday said there is a need for the U.S. and the Philippines to forge a new treaty based on mutual friendship and cooperation to advance the political and economic reforms being set in motion by the Ramos administration.

At the same time, de Venecia urged U.S. diplomats to "respect and recognize the Filipinos' right to protect their national interests in the same manner that Americans also seek to protect their own."

New U.S. ambassador to Manila Richard Solomon responded saying both countries should continue with its present friendship relationship, even if the U.S. bases are no longer operating in the country.

"We have started a very good phase in our relations and we should build on the strengths of the past," Solomon added. But he was cool to a new treaty and instead proposed that whatever accords are forged should be in the form of an executive agreement to short circuit the time consuming congressional process of ratifying treaties in the Senate of both countries.

The exchange came during a dinner party De Venecia and his wife Gina hosted Saturday in honor of Solomon and his wife, Anne, at the De Venecia residence in Dasmarinas Village, Makati.

De Venecia expressed support for a recent resolution issued by the U.S. Senate's foreign relations committee calling for strong U.S. support to the political and economic reforms being implemented by President Ramos.

The resolution, authored by U.S. Senators Richard Lugar and Alan Cranston, calls for a post-bases bilateral relationship built on mutual cooperation.

De Venecia agreed saying such cooperation is vital to achieve the Ramos-initiated political and economic reforms.

"It must be affirmed that the Philippines welcomes the opportunity to erect a new structure of bilateral relations that, hopefully, may combine the salient features of the architecture of the old edifice and the motif and design inspired and required by the geopolitical realities of the time," De Venecia told Solomon.

It has been almost one year since the Senate abolished on Sept. 16, 1991 the bases treaty between the Philippines and the U.S.

At the Senate, Sen. Wigberto Tanada proposed that negotiations for a new RP [Republic of the Philippines]-U.S. treaty of friendship and cooperation be launched immediately to enable the two countries to enter a new era of mutually beneficial economic and security relations.

Says U.S. Should Respect National Interests

HK0809031292 Quezon City MALAYA in English 6 Sep 92 p 3

[By Chit Estella]

[Excerpts] Speaker Jose de Venecia Jr. asked Friday night United States diplomats to respect and recognize Filipinos' right to protect their own national interests in the same manner that Americans also seek to protect their own.

The message was given during a dinner hosted Friday by De Venecia for new US Ambassador Richard Solomon and out-going Counselor John Finney.

On that occasion, De Venecia also acknowledged the "crucial" role of continued Philippine-American friendship in the attainment of political and economic reforms under the Ramos administration.

De Venecia's reminder was couched in an otherwise florid praise for Finney whose diplomatic skills were singled out by the Speaker. [passage omitted]

"It should be admitted in all candor that there is an imperative need for such attitude in the continuing dialog between Manila and Washington. It must be borne in mind that diplomatic accords are political realities of the times."

Solomon, in a return toast, said US-Philippine relations remain "very special."

He said, "I am very fortunate to arrive just as we begin a new phase in our relations." He also called on both countries to "build on the strengths of the past."

In his reply to De Venecia, Finney admitted that relations between the two countries had its "ups and downs in the past three years."

"Now, I think we are entering a new chapter in Philippine- American relations," he said.

While admitting that "some tough problems" lay ahead for the two countries, Finney expressed confidence that the new ambassador as well as the Philippines' new leaders "can put together a relationship that would focus on what is good, what is enduring and what is our mutual interest."

The counselor, who described his tenure in the Philippines as "exciting and memorable," also recalled the time when De Venecia was campaigning for Ramos in the recent elections. "It was great education to watch Joe, watch him against great odds put together a campaign" which ended with the victory of his presidential candidate, Finney said.

He also recalled that De Venecia's house served as the "backroom" where "the campaign all started and ended with the victory of your President.

U.S. Jet Sales to Taiwan Cause Little Concern

HK0709080092 Hong Kong AFP in English 0733 GMT 7 Sept 92

[Text] Manila, Sept 7 (AFP)—Philippine President Fidel Ramos said Monday that there was nothing to fear from the sale of advanced U.S. fighter jets to Taiwan for so long as it enhanced stability in Asia.

Asked if the Philippines, with one of the most backward armed forces, feared U.S. President George Bush's approval of the sale of F-16 jets to Taipei would lead to a regional arms race, Ramos said "we are not overly concerned with what's going on."

The planned sale has provoked an angry reaction from China which considers Taiwan to be a renegade province.

Ramos told a news conference that Manila's main concern was "the maintenance and the enhancement of stability in the Asia-Pacific region. These comments also apply in regard to the Spratly question."

China, Taiwan, and the Philippines, along with Vietnam, Brunei, and Malaysia, have competing claims on some or all of the Spratly archipelago in the South China Sea.

Manila currently benefits from the security umbrella provided by the U.S. military presence in Japan, South Korea and the Philippines. The U.S. forces here however are scheduled to pull out at the end of the year.

Washington has said the sale of the F-16s to Taipei would maintain the balance of power between Taiwan and China, which has recently acquired advanced Russian warplanes.

Meanwhile, Taiwan's chief representative to this country, Liu Po-lun, said that the acquisition of the F-16s was intended to safeguard Taiwanese airspace and was not intended to boost Taiepi's claim to the Spratlys.

"We desperately need an air force that is capable of controlling our airspace," Liu told a press forum as he accused China of building up its military resources unnecessarily.

Liu said that despite Beijing's continuing conflict with Taipei, he was confident that "China will be reunified and it will be reunified under freedom and democracy... and at a time much sooner than expected."

Liu also said he had no knowledge that the Philippines was trying to purchase surplus Taiwan fighter jets, as stated recently by Philippine military sources.

He said such a move would probably require the approval of Washington as most of Taiwan's fighters are U.S.-built.

Abadia Denies Meeting With Renegade Colonel

HK0809124792 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 8 Sep 92

[By Henry Umaga Diaz]

[Text] General Lisandro Abadia, Armed Forces chief of staff, has denied several newspaper reports he met with rebel leader Gregorio Honasan for possible amnesty talks.

According to Abadia, he was just misquoted by some newspapers.

In an interview at Malacanang after he attended the 26th National Police Commission anniversary celebration, Abadia clarified he has spoken with some ranking rebel soldiers currently detained regarding their possible application for the government's amnesty program.

Meanwhile, Abadia admitted he has spoken with some high ranking officers of the underground Revolutionary Nationalist Alliance, but this, he said, does not mean he has spoken with Honasan.

Abadia added almost all of the detained rightist rebel soldiers are interested in the president's amnesty program. He said the rebels are qualified to apply for amnesty although they were involved in several coup attempts under the Aquino administration.

22 Senators Approve Legalizing Communist Party

HK0409120592 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 4 Sep 92

[Text] Twenty-two senators have voted for the approval of the third and final hearing of Senate Bill 508, aimed at repealing the Antisubversion Law. Jojo Ismael for the details:

[Begin Ismael recording] After fulfilling the three days required by the Constitution, the 22 senators favored the putting into law of a certified Malacanang urgency bill [as heard] repealing the Antisubversion Law.

The Senate yesterday refused to act on the bill due to lack of time, particularly that three days were needed to pass the bill, while it was ready for recess.

Many senators have supported President Fidel Ramos' claim for the urgency of the bill, thus the Senate today extended its session, which should have adjourned yesterday.

Senate Bill 508 was authored principally by Senator Raul Roco. If approved, it will legalize the Communist Party of the Philippines and other related organizations, permitting them to continue their struggle through open, legal and peaceful means. [end recording]

Thailand

Foreign Ministry on Review of U.S. Amity Treaty

BK0409051192 Bangkok THE NATION in English 4 Sep 92 p B2

[Text] Thai Foreign Ministry officials stressed that any review of the 1966 Thai-US Treaty of Amity and Economic Relations should take into account overall relations between the two countries, instead of only the narrow benefits from bilateral trade negotiations.

The statement illustrated the Foreign Ministry's difference in position from that of the Commerce Ministry, which has been calling for revision of the decades-old treaty through which the United States enjoys special treatment over Thailand's other trading partners.

The treaty allows Thai and US firms to engage in seven service areas—legal counselling, consultative management, architecture, engineering, computing advertising and construction—with reciprocal privileges. Thai and US firms can set up ventures with almost 100 per cent ownership in each others' countries.

Other foreign firms doing business in Thailand are subjected to the Alien Business Law, which bars 100 per cent ownership.

But the Thai-US amity treaty does not cover communications, transport, fiduciary matters, banking, land exploitation, natural resources utilization, and agriculture trade, which are reserved for local professionals.

Officials suggested that the Foreign Ministry should be entrusted with the sole responsibility of initiating any further renegotiations of the treaty with its US counterpart, the US State Department.

They added that the Foreign Ministry will hold a closed-door seminar on this issue next month with agencies concerned, including the Commerce Ministry.

The seminar is part of the ministry's continuing effort to review Thai-US relations, which are moving in a new direction following the end of the Cold War. Under the new framework, bilateral economic and trade relations are the top priority, overtaking security matters.

While admitting that the Commerce Ministry has legitimate grounds in asking for a revision of the treaty, Foreign Ministry officials said this issue is not urgent, given the failure of the Gatt to conclude its current round of trade liberalization.

"We should not dump the treaty in a hurry," one official said.

The official, familiar with Thai-US relations, warned that before saying the treaty should be revoked, there should be an in-depth study on its merits and implications of scrapping the treaty.

There might be other treaties which require revision more urgently because of their obvious imbalance or impracticality, the official said.

"Singling out the Amity Treaty may affect the renegotiation of other more important treaties," he said without elaborating.

Thailand has signed nearly 20 framework treaties and related agreements with the US on political, military, economic and social matters. One of the most sensitive agreements for the Foreign Ministry to revise is the 1959 agreement on military assistance between the Thai and US governments.

Some senior officials in the Foreign Ministry have indicated recently that an agreement on the Joint US Military Advisory Group must come under review. Under the agreement, Thailand must facilitate the presence of US military advisors and bear the maintenance cost of some remaining US facilities since the US military withdrawal in early 1970s.

They said Washington's recent uncompromising gesture on trade negotiations and its increasing detachment from Thailand, warrant the review of bilateral relations. Recent Asian tours by Washington's top leaders have not included Thailand.

The same source said commerce officials wanted to abrogate the treaty for their own ends, without considering the adverse effects such actions might have on overall bilateral relations.

The conclusion of General Agreement in Trade Service (Gats) in the Uruguay Round would automatically require a contracting party to extend favourable tariffs and trade concessions to others under the Most Favour Nation provision, where no contracting party is to be treated less favourably than any other.

This would mean Thailand would have to extend the Amity treaty's concessions to others. The EC and Japan and most recently, Australia, have called for the concession provisions in the treaty be extended to them under this principle.

Scrapping the treaty would keep the issue at bay. The MFN [most favored nation] derogation under Gats will allow Thailand a 10-15 years' grace period to negotiate the revocation or the revision of the Amity treaty with the US before Thailand complied with the MFN rule.

Both the EC and Japan said the MFN derogation would enable the US alone to continue to be protected under the Amity treaty while they will have to comply fully with the MFN principle after the signing of Gats.

The US has already voiced objection to the abrogation of the treaty unless Thailand eliminated its Alien Business Law, which was later introduced to limit the ownership of foreign companies to 49 percent, and erected other investment barriers to foreign firms to protect national business.

Foreign Minister Asa Sarasin said recently that he agreed that the Amity treaty need some revision as it has not benefitted Thailand recently, but the access to US markets was still important to Thailand.

Former Prime Minister Chatchai Chunhawan's efforts to diversify the markets to other regions including Africa met with little success. Yet the recent trade disputes between Thailand and the European Community over faked bonito sarda and the massive piracy of EC music in Thailand made access to the EC market difficult.

According to the Foreign Ministry's preliminary study, the Thai- US Amity treaty proved to be "legally balanced" and is still relevant to the liberalization of world trade. While accepting that the treaty may have practical imbalances whereby US companies, at its onset, enjoyed fully the privilege accorded, Thai investments are beginning to make inroads in the United States.

There are about seven established US companies here, including IBM, ESSO Standard and Coca-Cola, with a combined investment in Thailand totalling US$5 billion. Thai subsidiaries Unicord and Siam Cement have been allowed to be set up in the US.

The study said that though the US market has become more liberalized, the treaty should be maintained as a security net for Thailand, as it is only beginning to exploit fully the treaty.

The study also suggested that there was a need to make thorough study on how many US companies in Thailand enjoyed the benefit of this treaty and how much Thailand would lose if those companies withdrew or scaled back their business by an abrogation of the treaty.

The study also included various options in case the treaty is retained including increasing barriers under the existing Alien Business laws to hinder US entry in Thai investment, and diversification of investment market.

Another official said the proposed abrogation should also take into account in particular where the two countries benefitted by joint security matters.

While the Thai military still enjoyed preference in the purchase of US military software and hardware under the military arrangement, the Commerce Ministry

regarded the US as its arch rival in trade negotiations, the official cited as an example. "The Foreign Ministry is confronting the difficult task of weighing the two conflicting interests," said the official.

"Thai-US relations have gone further than a married couple. When it comes to a divorce, both need to be careful in dividing their common property, deciding which should be returned the US and which should be kept," he said in describing the complexity of the deeply-rooted Thai-US relation.

The result of the study would be tabled at the next month's inter-agencies meeting, the same official said. He said the historical background in formulating Thai-US agreements would also be elucidated.

Minister: NAFTA Makes AFTA 'More Urgent'

BK0409042992 Bangkok Radio Thailand Network in English 0000 GMT 4 Sep 92

[Text] The grouping of NAFTA, North American Free Trade Area, would only accelerate economic cooperation among ASEAN countries within the framework of AFTA, the ASEAN Free Trade Area. Minister of Commerce Amaret Sila-on gave his opinions on the matter in response to doubts raised over the viability of AFTA and member countries' ability to reach the goals of their economic cooperation.

Minister Amaret said that with the NAFTA coming into being, AFTA will be more urgent and necessary. The grouping of Canada, the United States of America, and Mexico makes AFTA's vision and goals clearer and keenly felt since the delay means the diversion of economic activities to NAFTA. He feels certain that common effective preferential tariffs, CEPT, as the vehicle toward ASEAN economic integration can be fully implemented within 15 years or even before that.

PRC Dissident Declared Persona Non Grata

BK0509074592 Bangkok THE NATION in English 5 Sep 92 p A2

[Text] Thai authorities have deported and declared persona non-grata one of the 10 Chinese dissidents who fled the Tiananmen crackdown in Beijing in 1989 and entered Thailand illegally.

According to a source, the dissident Lin Jingze, who was deported on July 17, holds a Chinese passport and has an entry visa to Laos.

The authorities claimed that he planned to commit illegal activities in Thailand.

He has been declared persona non-grata and will not be allowed to re-enter Thailand.

The source said two other dissidents, Li Maolong and Li Suwen, among the remaining group of nine being detained at the Immigration Department, will have their status determined after the receipt of certificates from the Chinese Embassy verifying whether or not the are actually Chinese nationals. None has a passport.

According to reports received by the London-based human rights group Amnesty International on April 28, Li Jingze and seven other Chinese dissidents from the China Alliance for Democracy, a political group based in New York, were detained by the Immigration police on charges of entering Thailand illegally.

Amnesty International said in a statement that on June 3 Li Maolong and Li Suwen were detained by police in Bangkok as they were preparing to commemorate the third anniversary of the June 4 1989 crackdown in China.

According to Li Maolong, Thai immigration officers told him that he and his friends were arrested for taking part in the May demonstrations.

Vietnam

Ross Perot's POW-MIA Statements Condemned

BK0709141192 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 25 Aug 92

[Article by Thang Loc: "It's Another POW-MIA Story"]

[Text] The issue of POW and MIA has been raised many times by the U.S. political circles without any concrete supporting evidence and it seems that as far as the ongoing U.S. presidential election campaign is concerned, people want to raise the POW-MIA issue to woo voters.

As people may still recall, prompted by his desire to become the 42d U.S. president, Texan billionaire Mr. Ross Perot planned to enter the White House by means of the POW-MIA political scheme, hoping that the latter could help him rouse the feelings of the American people. Nonetheless, his show was bogus and dull. The U.S. press satirically likened Mr. Perot's move to a circus performance which failed to appeal to the spectators and also led to a heavy fall. The bitter truth is that on 16 July, Mr. Perot had to announce his decision to give up the race for the White House right at the very starting point.

Being unable to rouse the feelings of U.S. voters, on 11 August the billionaire staged another show at the U.S. Senate POW-MIA Special Committee. For four consecutive hours, Mr. Perot used both doleful and angry words to demonstrate that live U.S. servicemen are being detained in Vietnam, that the administration has left U.S. children behind, and that he has worked for 20 years to save those Americans left behind after the war. Mr. Perot also fabricated a sensational story that in the 1970's, Vietnam had sent special agents to try to kill him and his family. He movingly said that his family had to live in such a threat-laden atmosphere for four years. He also made up another story that in 1981, Vietnam proposed to exchange some live American prisoners of war for US $4 billion.

On 13 August, the Foreign Ministry of the Socialist Republic of Vietnam [SRV] rejected Mr. Perot's illusionary and deceitful claim, regarding it as an absurb fabrication. On 12 August, the U.S. paper THE WASHINGTON POST also termed Mr. Perot's testimony as a total failure to shed any light on the bitter debate on live U.S. servicemen, a myth that Mr. Perot has tried to blow out of proportion. John F. Kerry, chairman of the POW-MIA Committee, and a number of other U.S. senators rejected Mr. Perot's testimony. In its 18 August issue, THE WASHINGTON POST pointed out: Mr. Perot's testimony only provided unclear, unfounded, and disappointing evidence.

Together with Mr. Perot's false claim, Senator Bob Smith also made an ill-intentioned guess claiming that there is an underground prison detaining American GI's. His imaginary story was quickly rejected by Lieutenant Colonel Jack Donovan, head of the U.S. MIA-POW office in Hanoi. On 17 August, Lt. Col. Jack Donovan said: There is no evidence to support Senator Smith's statement. He went so far as to tell a REUTER correspodent and the BBC that the Vietnamese government is helping American experts in their studies for reports on Americans either being detained or living in Vietnam.

It is crystal clear that each time certain individuals try to fabricate myths about the POW-MIA issue, such a move would trigger ample evidence of great powers of persuasion. Nonetheless, the U.S. administration continues to maintain the POW-MIA issue to pressure Vietnam. Only five days ago, addressing the Republican convention, U.S. President Bush repeated the same old argument that the United States will not establish diplomatic relations with Vietnam unless the problems concerning U.S. personnel missing in Vietnam are properly handled.

Ministry Demands PRC Ships Withdraw From Tonkin

BK0409160692 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 4 Sep 92

["About Chinese oil drilling ships in the Vietnamese territorial sea of the Tonkin Gulf"—radio headline]

[Text] For two consecutive days, from 1 to 2 September 1992, China's Hainan and Zhanjiang port radio stations repeatedly broadcast a notice saying that at 1500 hours on 31 August 1992, China's Nanhai-6 oil drilling ship left its position 42 nautical miles southeast of Zhanjiang for a new position at 19.17 degrees north latitude and 107.16 degrees east longitude to begin drilling an oil well from 0000 hours on 4 September 1992 to 4 March 1993. The notice also bans all ships from approaching the drilling ship within a 1,000-meter radius.

This came after the 4 August 1992 incident when the Zhanjiang port reported that China's Struggle-5 seismological ship would conduct seismological research from 19-30 August 1992 in the areas of the following grid coordinates: 18.45 degrees north latitude and 107.40 degrees east longitude, 18.45 degrees north latitude and 107.50 degrees east longitude, 18.30 degrees north latitude and 107.40 degrees east longitude.

The notice also said that no ships were allowed to enter within a 1,500-meter radius of the seismological ship.

In view of the above situation, on the afternoon of 3 September 1992, Vietnamese Deputy Foreign Minsiter Vu Khoan met Chinese Ambassador Zhang Dewei to hand him a note from our Foreign Ministry to the Chinese counterpart in which we expressed our profound concern over the above developments because they have been taking place in the sea area under Vietnamese sovereignty.

In particular, the sea area where China's Nanhai-6 oil drilling ship is planning its operations is only 70 nautical miles from Ba Lac lagoon, the nearest point on the Vietnamese coast, and lies right in the middle of the domestic and international shipping lanes leading to Haiphong and Quang Ninh ports. This runs counter to a proposal made by China itself on 18 January 1974 [as heard] that before the sea boundary between the two countries is delineated, the two sides should temporarily suspend their oil exploration in the area of 107-108 degrees longitude and 18-20 degrees latitude.

Following China's (Haiyang) oil company signing an oil exploitation agreement with the U.S. Crestone Oil Corporation on the Tu Chinh coral reef within Vietnam's southern continental shelf, the aforementioned incidents run counter to an agreement reached between the two countries at the highest level that pending the solution of disputes, the parties involved should refrain from doing anything that may further complicate the situation. Furthermore, the two sides have agreed to promptly hold talks on those border and territorial issues, including those on land, in the Tonkin Gulf, and in the Eastern Sea. These incidents do not help create favorable conditions for the upcoming negotiations.

Our government asks the Chinese Government to order those Chinese sectors and localities concerned to immediately suspend the plan and not to proceed with similar activities in the future.

Our government hopes that for the sake of common interests and to create favorable conditions for the forthcoming talks, the Chinese Government will meet this proposal of the Vietnamese side.

According to a latest news report, despite suggestions by the Vietnamese side, Chinese ships continue to be deployed in accordance with China's aforementioned notice. On the afternoon of 4 September 1992, Deputy Foreign Minister Vu Khoan again met Chinese Ambassador Zhang Dewei to hand him a note from our Foreign Ministry demanding that the Chinese side withdraw all ships already deployed.

Relevant organs of Vietnamese Ministry of Communications, Transportation, and Posts have issued a notice protesting the Chinese ships' violation of the Vietnamese

sea territory and their obstruction of Vietnamese and international shipping operations in the Tonkin Gulf and demanding that Chinese ships immediately suspend these activities.

Use of Force Hinted

BK0509110092 Hong Kong AFP in English 1038 GMT 5 Sep 92

[By Andrew Sherry]

[Text] Hanoi, Sept 5 (AFP) - Vietnam hinted Saturday that it could use force against two Chinese oil exploration ships that were allegedly violating Vietnamese territorial waters and obstructing shipping lanes in the Tonkin Gulf.

The veiled warning came two days after Vietnamese Deputy Foreign Minister Vu Khoan called in Chinese Ambassador Zhang Dewei to demand the immediate withdrawal of the vessels.

"The Vietnamese Maritime Transport Department orders all units concerned with the guarantee of maritime transport safety of Vietnam to take all appropriate measures to ensure safety for the ships operating in the above-said zone," an official communique said.

"The Chinese side has to take full responsibility for maritime safety of all Vietnamese as well as foreign ships in their operations in the said area."

Chinese coastal radio stations have warned all ships to stay clear of two Chinese vessels that left port on August 19 and 31 respectively to search for oil in the Tonkin Gulf, according to the Vietnamese Foreign Ministry.

The first vessel, "Make Effort 5," was to have completed its mission on August 30. The ministry made no mention of its current position.

The second, "South Sea 6," was to spend seven months drilling for oil at a spot that Vietnam says is only 70 nautical miles (123 kilometers) southeast of Ba Lat estuary, astride Vietnamese and international shipping lanes.

The coordinates given by Chinese radio place the ship close to an oil exploration block leased by Vietnam to Idemitsu Corp. of Japan. The Tonkin Gulf is bordered by the northern Vietnamese coast and China's Hainan Island.

Vietnam said it was the second maritime violation by China since the two communist neighbors normalized relations last November and agreed to settle their disputes by peaceful negotiations.

The first came in May, when China leased an oil exploration block between the disputed Spratly archipelago and the southern Vietnamese coast to the U.S. firm Crestone Energy Corp. Vietnam says the block is in its coastal waters.

"These developments do not create favorable conditions for the forthcoming talks" between China and Vietnam on their disputed land border and competing maritime claims," the ministry said. Chinese Vice Foreign Minister Xu Dunxin was scheduled to lead a delegation here late this month.

Vietnam's hint that it could use force against the Chinese vessels raised the temperature of the debate, but analysts noted that the warning was veiled and came from a relatively low level—a government department.

Hanoi still wants to settle its differences with China through peaceful negotiations, a source close to the Vietnamese leadership stressed.

Vietnam, which is restructuring its economy and seeking to improve its international standing, can ill-afford a confrontation with China, diplomats say.

China appears to be flexing its muscles in the South China Sea following the collapse of the Soviet Union and the U.S. decision to withdraw from Subic Bay naval base in the Philippines.

But Beijing, which is also trying to rebuild its international image following the June 1989 crackdown, appears to be trying to minimize the risk of military confrontation by using economic gestures to assert its sovereignty.

Historic enemies China and Vietnam fought a fierce border war in 1979 after Vietnam invaded Cambodia to oust the Beijing-backed Khmer Rouge. They normalized relations last year following a Cambodian peace treaty.

Ministry Says PRC Causing 'Profound Concern'

BK0809133892 Hong Kong AFP in English 1332 GMT 8 Sep 92

[Excerpt] Hanoi, Sept 8 (AFP)—Vietnam accused China Tuesday of compromising efforts to peacefully settle the territorial disputes between the two communist neighbors by sending two oil exploration vessels into Vietnamese waters. The Vietnamese Foreign Ministry also said the continued presence of the vessels in the Tonkin Gulf despite Hanoi's demands that they be withdrawn "is causing profound concern that extends beyond Vietnam."

"One should not create new points of dispute in territorial waters or areas under another country's sovereignty if one wants to have negotiations," the Foreign Ministry spokeswoman said in a statement issued to AFP.

Chinese Vice-Foreign Minister Xu Dunxin is due to visit Hanoi late this month for negotiations on the two countries' territorial disputes, Vietnamese sources said.

The spokeswoman rejected point-by-point a statement from her Chinese counterpart that China had rights to the waters where the oil exploration was underway, saying the spot was only 70 nautical miles from the Vietnamese coast. But she made no reference to the possible use of force against the Chinese vessels,

including a drilling rig that Chinese radio said would spend seven months at a point midway between the Vietnamese coast and China's Hainan Island.

Instead, Vietnam, whose navy is far smaller than China's, appeared to be attempting to draw into the debate other regional countries that may be concerned by China's new assertiveness in the South China Sea.

"We are seeking patiently to convince them to withdraw all these vessels and we ask them...to make a contribution to the peace and stability of the region by concrete acts," the statement said.

It was the first time since the two countries normalized relations last year that Vietnam directly and publicly challenged an official Chinese statement, in another sign that Hanoi is trying to put the issue under the international spotlight. [passage omitted]

Desire for 'Peaceful Negotiations' Reaffirmed

BK0809111992 Hanoi Voice of Vietnam in English 1000 GMT 8 Sep 92

[Station commentary]

[Text] The International Relations Review of the Vietnamese Foreign Ministry in its August issue has called for the safeguarding of the South China Sea. This appeal has been warmly responded to by regional countries. Our radio contributes this comment:

Covering an area of 3.4 million squares kilometers, the South China Sea is part of the Pacific and plays an important role compared with other parts of the Pacific because it is rich in oil and gas, with its deposit no less than that of the Middle East. Over the past 150 years, the South China Sea witnessed ups and downs of regional countries.

After the issue of Cambodia is resolved, there are predictions that the South China Sea will become a post-Cambodia potential disputed area. Regional countries are aware that without peace in the South China Sea, there is also no peace and stability in the region. The conflict over the South China Sea is not only a problem of regional countries but a problem of international security. That is why the International Relations Review called on regional countries to safeguard peace in the South China Sea and respond with practical deeds.

Recently, Vietnam, Indonesia, and Malaysia conducted negotiations and reached encouraging results on the delineation of continental shelves. Regional countries stand for the settlement of the disputes of the South China Sea through peaceful negotiations. Recent actions taken by China in the continental shelf of Vietnam has caused deep concern among these countries. China's drilling of oil in the Vietnamese continental shelf has strained the situation there. BBC Radio in its 4 September broadcast described China's move as a manifestation of China's ambition over the South China Sea. Vietnam and other regional countries hope that China will put an end to its action. Vietnam wishes to resolve this issue with China through peaceful negotiations and to help bring about peace and stability for countries in the region.

Spokesman Denies Inviting Israeli Delegation

BK0409154392 Hanoi VNA in English 1525 GMT 4 Sep 92

[Text] Hanoi VNA Sept. 4—Answering a question by AFP correspondent in Hanoi on Israeli Foreign Ministry's spokesman's statement that Vietnam has invited an official delegation of Israel to visit Vietnam late this year and whether or not Vietnam plans to establish diplomatic relations with Israel in the near future, the spokesperson of the Vietnamese Foreign Ministry said:

"That is a fabrication, the exchange of delegations and contacts between Vietnam and Israel have all been informal because the two countries have not yet established diplomatic relations. Such meetings have never been initiated by the Vietnamese side".

Hijacker Hoped To Drop Pamphlets Over City

BK0509045592 Hong Kong AFP in English 0452 GMT 5 Aug 92

[Text] Hanoi, Sept 5 (AFP)—A hijacker forced a Vietnam Airlines flight from Bangkok to fly low over Ho Chi Minh City Friday so he could dump anti-communist pamplets, nearly causing the plane to crash before he parachuted out, passengers and aviation sources said Saturday.

No one aboard flight VN 810 was injured and the plane landed safely at Ho Chi Minh City's Tan Son Nhat airport, said passenger Paul Dempsey, an Australian businessman.

A Vietnam Airlines spokesman here said that an Airbus 310 had been slightly damaged when a door opened "for technical reasons" in flight between Bangkok and Ho Chi Minh City but he denied that a hijacking had taken place.

Dempsey said the hijacker, whom he described as a young overseas Vietnamese probably from the United States, was armed only with a piece of plastic-covered wire and an airline dinner knife.

He grabbed a stewardess around the neck with wire and forced her toward the cockpit where he demanded that the pilot fly very low over the heart of Ho Chi Minh City so he could pitch pamphlets out of the cockpit window.

The Airbus, which Vietnam Airlines charters from a Bulgarian company JES Air, was "pitching and ditching" as it hurtled back and forth over the city for nearly 30 minutes, Dempsey said.

"We were going right over Dong Khoi street. I could recognize all the buildings," he said.

There were 153 passengers aboard the plane, according to an aviation source.

"Ninety percent of the people accepted that we were going to die," Dempsey said. "There were people praying to Allah on the floor."

The hijacker, who by this point was wearing a parachute he may have gotten from the cockpit, then forced a steward to open the main door, which depressurized the cabin and almost sucked the steward to his death, Dempsey said.

"He (the hijacker) looked out an realized that he was going to be sucked right into the jet engine, so he went back up to the cockpit and jumped out the window there," Dempsey said.

A Vietnamese source said the hijacker was captured two hours later on the ground, but their was no official confirmation of this.

Hijacker Identified; Nationality Not Known

BK0609015892 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 5 Sep 92

[Text] On board a Vietnam airliner during its regular flight from Bangkok to Ho Chi Minh City on 4 September, a hijacker known as (Ly Tong)—his nationality has not yet been identified —used a weapon to force the pilot to fly under his command while the airliner was in Vietnam's airspace. The pilot promptly sent signals on the hijack to the Vietnamese Air Force on the ground and the latter was put on alert to provide help.

The hijacker, in an attempt to escape before the landing, parachuted from the airbus, but was arrested by the Vietnamese public security force in coordination with the people and militia and self-defense forces.

After the incident, the Vietnam airliner landed safely on Tan Son Nhat Airport.

This is a serious hijack, violating Vietnamese law and international law on civil aviation. (Ly Tong) will be seriously dealt with in accordance with the law.

Officers Urge Greater Party Control of Army

BK0709073692 Hong Kong AFP in English 0718 GMT 7 Sep 92

[Text] Hanoi, Sept 7 (AFP)—Vietnam's military leaders have called for stricter party control over the armed forces to counter efforts by hostile foreign forces to bump them off the socialist track, the QUAN DOI NHAN DAN said Monday.

Some 400 senior officers, who met late last month to discuss the results of the third party plenum held in June, concluded that "imperialist and reactionary forces" were carrying out "peaceful evolution" against Vietnam.

Their aim is to "overthrow the socialist regime, destroy the leading role of the communist party and sow discord between the party and the army," the army daily said.

The Vietnam Communist Party plenum called for stepped up security measures and consolidation of the party's leading role so that Vietnam can maintain the socialist path while opening up to the outside world.

"Renewal and rectification of the army's party committee is aimed at strengthening the absolute and direct leadership of the party over all aspects of the army and at guaranteeing the party's continuing strict control over the army," the paper said the conference delegates had decided.

In the face of efforts by hostile forces to "depoliticise" the armed forces, the army's party committee felt the political strengthening of the military was "a task of prime importance," the paper said.

For this reason, the system of party committees within the army has been restored to give its political cadres greater power, the daily said.

The meeting denounced the "decline in fighting spirit and lack of vigilance in the face of enemy manoeuvres" among some officials and officers whom the delegates also accused of "degradation and corruption," the paper said.

Premier's Top Aide Reassures Foreign Investors

BK0709060092 Hong Kong AFP in English 0535 GMT 7 Sep 92

[By Andrew Sherry]

[Text] Hanoi, Sept 7 (AFP)—A senior official reassured foreign investors Monday that Vietnam was committed to its open-door economic policy, in the wake of warnings from the military about the dangers of "peaceful evolution."

"The Vietnamese government considers attracting foreign investment a long-term commitment," Tran Xuan Gia, the chairman of the Office of the Council of Ministers, was quoted by the semi-official VIETNAM INVESTMENT REVIEW (VIR) as saying.

"There's no other alternative" to foreign investment for solving Vietnam's capital shortage and unemployment problems, said Gia, who is Premier Vo Van Kiet's top aide.

Gia acknowledged that the foreign investment process in Vietnam was still riddled with bureaucratic red tape but he said several laws were due to be amended during the National Assembly session opening September 19.

The proposed changes include an amendment of the land law to facilitate land transfer, he said. The government

also plans to simplify import-export procedures and formalities involving residency and movement of foreigners.

"The Vietnamese Government's persistent policy is to ceaselessly improve the investment environment and quickly solve unnecessary obstructions in order to draw more foreign investments," he said.

Gia's unequivocal statement came as the official army daily QUAN DOI NHAN DAN published another article warning that "imperialist and reactionary circles" were trying to subvert Vietnam through "peaceful evolution."

The army paper has editorialized repeatedly on the theme in the past month, warning on August 20 that foreign investment could bring into Vietnam "espionage, AIDS and pamphlets calling for subversion."

A week later Defense Minister Doan Khue, a leading member of the Politburo, told a congress of the army's young communists to keep faith that "capitalism will be eradicated and replaced by socialism."

Senior Vietnamese officials said that despite the army's emphasis on state security, the Politburo members were united in their support of the market-oriented economic reforms adopted by the sixth party congress in 1986 and reaffirmed by the seventh last year.

"The only difference between the liberals and the conservatives is over the extent and speed of the reforms," one official with close ties to the leadership told AFP.

Monday's QUAN DOI NHAN DAN article paid lip-service to the primacy of economic reform as it welcomed the resolution of June's communist party plenum to reinforce security while continuing the open-door policy.

"The leadership cadres and commanders were very happy and profoundly aware that at the same time as placing priority on the task of building the economy ... our party is still putting emphasis on the education and the vigilance of the people and on reinforcing defense," it said.

The army daily said vigilance was needed because "imperialist and reactionary circles are practicing peaceful evolution against our revolution to overturn socialist rule and the gains of the revolution, to erase the leading role of the party (and) to separate the party from the army."

Australia

Keating Warns Bush on U.S. Wheat Subsidies

BK0809082992 Hong Kong AFP in English 0814 GMT 8 Sep 92

[Text] Canberra, Sept 8 (AFP)—Australian Prime Minister Paul Keating warned President George Bush in a letter Tuesday that U.S. wheat subsidies will corrode relations between the two countries.

The letter, released by Keating's office here, pursued the official Australian line that the European Community (EC) bears the "prime responsibility" for using subsidies to penetrate export markets.

But it suggusted that Bush had failed to provide the leadership required to avert a trade war, and said use of the U.S. Export Enhancement Program (EEP) had a "corrosive impact" on Australian public support for the United States.

Keating's letter was a reply to one from Bush on Friday which tried to reassure Australia that his decision to extend the EEP to sales of 30 million tonnes of wheat in the next nine months was not a new policy and designed to minimise hurt to Australia.

"I believe that the EC must be challenged directly on this unfair trading practice," Bush wrote in a letter also released by Keating's office Tuesday.

"Our farmers are hurting, as I suspect yours are too."

The new initiative to extend EEP to 28 importing countries had been "constructed as carefully as possible to allow room for Australian sales," Bush said. The U.S. President added that he valued Australia's "close cooperation" in negotiations for a successful conclusion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT).

He concluded with an appeal to Keating to "work together, notwithstanding any differences we may have on the EEP issue."

Keating's reply stressed that the United States must take the lead if it wanted Australian cooperation.

"The stakes involved for all of us in avoiding a trade war are very high," Keating wrote.

"As I explained to you here in Australia last January, I believe the United States has a vital leadership role to play in completing this important task."

Implicitly rejecting Bush's assurances that EEP did not target traditional Australian markets, Keating wrote:

"The comprehensive nature of the administration's announcement last week leaves us with no alternative but to take up the whole issue of agricultural export subsidies under the appropriate procedures of the GATT Council."

The Council meets in Geneva on September 27 and Australia will ask for a full debate on subsidies, officials here said.

"Given the prime responsibility the European Community bears for escalating the use of subsidies, my government will subject their programs to the same GATT complaint procedures," Keating said.

Canada meanwhile came to Australia's side on Tuesday, saying that the United States was damaging itself with wheat subsidies.

"None of us can afford to deal with the Europeans or the Americans. It's like trying to get into a fight with King Kong when you're a midget," Canadian Minister of Western Economic Diversification Charles Mayer said on Australian radio.

Canada is the largest wheat producer in the 14-nation Cairns group of agricultural exporting nations, followed by Australia and Argentina.

These three should cooperate, and must protect themselves in "a game where the big people are the bullies who simply set the rules."

Supporting Australia's decision to take the issue to GATT, Mayer said: "Anything we can do to put pressure on for a GATT agreement, anything we can do to convince the Americans that their own actions are not going to help themselves... would be helpful."

Keating Cites 'Toughest' Response

BK0609090692 Hong Kong AFP in English 0859 GMT 6 Sep 92

[Text] Canberra, Sept 6 (AFP) - Australian Prime Minister Paul Keating said here Sunday that his government had done enough to protest increased United States wheat export subsidies by calling in the GATT "police".

Keating said that taking action through the disputes settlement mechanism of the General Agreement on Tariffs and Trade was the toughest move his government could make.

"We've basically gone and called the police, we've gone to GATT," Keating told reporters, adding: "That's the toughest thing we can do."

He was responding to calls by the conservative opposition for his Labor government to increase pressure on the United States in protest against Washington's decision last week to increase subsidies.

Opposition leader John Hewson told reporters that the United States and Europe had to understand the magnitude of the anger in Australia about subsidies.

U.S. President George Bush announced Wednesday that he would increase wheat export subsidies by one billion U.S. dollars.

Hewson criticised the Labor government for not doing more to make Washington aware of the impact its Export Enhancement Program (EEP) was having on Australia's farmers.

His coalition partner, National Party leader Tim Fischer, whose party draws electoral support from rural producers, branded the United States "trade enemy number one."

The Nationals fear the increased subsidies could cost farmers up to 500 million Australian dollars (360 million U.S.).

Fischer told reporters on Saturday that Australia could use U.S. aviation access as a bargaining chip in trade negotiations to press its anger. He led a delegation to the U.S. Embassy in Canberra to deliver a letter of protest addressed to Bush.

Hewson said the government had to use more than just GATT.

"We should have been doing a lot more," he said, adding that "bilateral and regional opportunities should be pursued with an enormous vigour."

"Is it in our best interests to just sit back and let the U.S. just progressively pick off all our markets around the world?" he commented at a news conference on Saturday.

"Or is it in our interests to start a substantial protest against that with an effective explanation as to how we feel we ought to be compensated for that?" he added.

Hewson wrote to Bush on Friday to express Australia's concern.

U.S. 'Corrupt Trade Policies' Condemned

BK0509074392 Melbourne Radio Australia in English 0500 GMT 5 Sep 92

[Text] The junior party in Australia's federal opposition coalition, the National Party, has condemned what it called the corrupt trade policies of the United States. The condemnation follows an announcement that the Bush administration would spend more than $1,000 million subsidizing wheat exports worth $3,000 million.

The delegates to a meeting in Canberra of the National Party's Federal Council expressed disgust with the plan to provide the subsidies under what is known as the Export Enhancement Program, or EEP. Graham World reports:

[Begin recording] [World] The Federal Council called on the United States Government to delete from its EEP list those countries which are traditional Australian wheat markets. National Party deputy leader and the coalition's primary industry spokesman, Bruce Lloyd, approved the motion, saying the shocking U.S. move really challenged Australia's relationship with the U.S.

[Lloyd] As of now, the United States is Australia's number one trade enemy and the biggest hypocrite in a world full of hypocrites when it comes to fair trade. [end recording]

Meanwhile, the opposition leader, John Hewson, has rejected a suggestion that one way of retaliating against the United States would be by charging rent for the communications bases it uses in Australia.

Dr. Hewson said that while he was strongly opposed to the American subsidies, decision on bases should not be brought into the dispute.

Foreign Minister Condemns South Africa Killings

BK0809101092 Melbourne Radio Australia in English 0803 GMT 8 Sep 92

[Excerpt] [Passage omitted] Foreign Minister Senator Evans has condemned the killings [in Ciskei, South Africa], describing them as a deliberate, calculated, horrifying massacre. Senator Evans told the Australian Parliament that the massacre is a direct result of South Africa's apartheid system.

[Begin Evans recording] Mr. President, I know that all Australians will be sickened by the deliberate, calculated massacre of peaceful demonstrators which occurred at the hands of the Ciskei defense forces yesterday. Eyewitness accounts which have been confirmed by television footage showed that the Ciskei defense forces fired indiscriminately on peaceful demonstrators who were not in any way acting violently at the time or threatening violence. [Words indistinct] immediately that it is very difficult to accept the statement made by South African Ambassador Tothill this morning on ABC [Australian Broadcasting Corporation] radio that the ANC [African National Congress] should be regarded as sharing the responsibility and provocation of the massacre.

What the ANC was clearly doing was demonstrating, exercising its peaceful right to demonstrate, in a democratic and peaceful manner. It is about time the South African Government end its [word indistinct] and show some sensitive appreciation. That is what the democratic process is all about. The Ciskei massacre, Mr. President, now has to be added to that long and ever growing litany of tragedies including (?Sharpeville) and Boipatong, which are the direct and inevitable byproduct of the present apartheid system.

As I have said at first in the morning the tragedy shows, I think, how the apartheid system has corrupted and perverted so much of the institutional structure of South Africa, who created the situation. We are now seeing that the determination of those who [word indistinct] for the present system to cling on to their power and their privilege undemocratically secured by them at all costs. [end recording]

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